

**SCHOOL DISTRICT
OF THE
TOWNSHIP OF PITTSBGROVE**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Township of Pittsgrove Board of Education
Pittsgrove, New Jersey**

For the Fiscal Year Ended June 30, 2014

**Prepared by
Pittsgrove Township Board of Education
Finance Department**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE PITTSBURGH TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS**

INTRODUCTORY SECTION

<u>Exhibit</u>	<u>Page</u>
Letter of Transmittal	1 - 6
Organizational Chart	7
Roster of Officials	8
Consultants and Advisors	9 - 10

FINANCIAL SECTION

Independent Auditor's Report	11 - 12a
Required Supplementary Information – Part I Management's Discussion and Analysis	13 – 22a

Basic Financial Statements

A. District-wide Financial Statements:

A-1 Statement of Net Position	23
A-2 Statement of Activities	24

B. Fund Financial Statements:

Governmental Funds:

B-1 Balance Sheet	25
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	26
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27

Proprietary Funds:

B-4 Statement of Net Position	28
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	29
B-6 Statement of Cash Flows	30

Fiduciary Funds:

B-7 Statement of Fiduciary Net Position	31
B-8 Statement of Changes in Fiduciary Net Position	32

Notes to the Financial Statements	33 – 57
--	---------

Required Supplementary Information – Part II

C. Budgetary Comparison Schedules:

C-1 Budgetary Comparison Schedule – General Fund	58-63
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	N/A
C-1b Community Development Block Grant – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	64

Notes to the Required Supplementary Information

C-3 Budget-to-GAAP Reconciliation	65
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**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE PITTSBURGH TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FINANCIAL SECTION (Continued)**

<u>Exhibit</u>	<u>Page</u>
Other Supplementary Information	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	66 - 67
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	68
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	69
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	70
F-2a-h Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis	71-77a
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	78
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	79
G-3 Combining Schedule of Cash Flows	80
Internal Service Fund:	
G-4 Combining Schedule of Net Position	81
G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	82
G-6 Combining Schedule of Cash Flows	83
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	84
H-2 Combining Statement of Changes in Fiduciary Net Position	85
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	86
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	87

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE PITTSBURGH TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FINANCIAL SECTION (Continued)**

Other Supplementary Information (Continued)

I. Long-Term Debt:

I-1	Schedule of Serial Bonds	88-91
I-2	Schedule of Obligations under Capital Leases	92
I-3	Debt Service Fund Budgetary Comparison Schedule	93

STATISTICAL SECTION

Financial Trends Information/Schedules

J-1	Net Position by Component	94
J-2	Changes in Net Position	95
J-3	Fund Balances – Governmental Funds	96
J-4	Changes in Fund Balance, Governmental Funds	97
J-5	General Fund Other Local Revenue by Source	98

Revenue Capacity Information

J-6	Assessed Value and Estimated Actual Value of Taxable Property	99
J-7	Direct and Overlapping Property Tax Rates	100
J-8	Principal Property Taxpayers	101
J-9	Property Tax Levies and Collections	102

Debt Capacity Information

J-10	Ratios of Outstanding Debt by Type	103
J-11	Ratios of General Bonded Debt Outstanding	104
J-12	Direct and Overlapping Governmental Activities Debt	105
J-13	Legal Debt Margin Information	106

Demographic and Economic Information

J-14	Demographic and Economic Statistics	107
J-15	Principal Employers	108

Operating Information

J-16	Full-time Equivalent District Employees by Function/Program	109
J-17	Operating Statistics	110
J-18	School Building Information	111
J-19	Schedule of Required Maintenance Expenditures by School Facility	112
J-20	Insurance Schedule	113

SINGLE AUDIT SECTION

K-1	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	114-115
K-2	Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Awards Required by OMB Circular A-133 and New Jersey OMB Circular Letter 04-04	116-117
K-3	Schedule of Expenditures of Federal Awards - Schedule A	118
K-4	Schedule of Expenditures of State Financial Assistance - Schedule B	119
K-5	Notes to the Schedules of Awards and Financial Assistance	120-121
K-6	Schedule of Findings and Questioned Costs	122-125
K-7	Summary Schedule of Prior Audit Findings	126

INTRODUCTORY SECTION

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Henry Bermann
Superintendent of Schools
(Ext. 4016)

Suzanne R. Fox Abdill
Business Admin./ Board Sec.
(Ext. 4018)

Yvette DuBois
Assistant Superintendent
(Ext. 4013)

November 12, 2014

Honorable President and Members
of the Board of Education
Pittsgrove Township Board of Education
County of Salem
Pittsgrove, N.J. 08318

Dear Board Members:

The comprehensive annual financial report of the Pittsgrove Township School District (District) for the fiscal year ended June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures that we feel are necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the New Jersey State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Awards, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

We are an Equal Opportunity Employer - F/M

1. REPORTING ENTITY AND ITS SERVICES:

The Pittsgrove Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Pittsgrove Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PK through 12. These include regular, vocational, alternative and remedial, as well as special education for handicapped students. Vocational opportunities are provided through the Salem County Vocational and Technical School. The Pittsgrove Township School District also receives students on a tuition basis for grades PreK-12 from the Borough of Elmer. In Schalick High School, the district houses three county-wide academies in the Visual and Performing Arts. These are magnet programs in Dance, Theater and Visual Arts. The District completed the 2013-14 fiscal year with an enrollment of 1,802 students, including Academy students, which is 1 student more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2013-14	1,743.0	1.34%
2012-13	1,720.0	(1.29)%
2011-12	1,742.1	(5.12)%
2010-11	1,836.2	2.93%
2009-10	1,784.0	(.59)%
2008-09	1,794.7	3.99%
2007-08	1,869.3	(3.31)%
2006-07	1,933.3	.16%
2005-06	1,930.2	(2.71)%
2004-05	1,983.9	4.79%

2. ECONOMIC CONDITION AND OUTLOOK:

The Pittsgrove Township area is experiencing a period of limited development, which is expected to continue. There will be a continually slight increase in the number of residences. This should result in a modest increase in the tax base. Pittsgrove Township is also experiencing a decrease in enrollment in its resident students. This decline is expected to continue for the immediate future. The 2010-2011 school year marked a full send/receive agreement with Elmer Borough Board of Education. All students from both Pittsgrove and Elmer attend school together from preschool through twelfth grade. For the 2013-14 school year Elmer School housed 200 students in grades one and two from both communities, Olivet School houses grades three, four, and five and the Middle School houses grades six, seven and eight making it a true middle school. All three elementary schools are at their functional capacity.

3. MAJOR INITIATIVES/CURRICULA INITIATIVES:

Technology

The Board of Education continues to support the integration of technology into curriculum. The former 8th grade one-to-one iPad2 initiative has been transformed and devices reallocated throughout the district to expand the technology opportunities for students K-12. Chromebooks were purchased for use in Olivet, PTMS, and Schalick High School. The addition of Chromebooks helps support the District goal of increasing 21st Century technology skills and collaboration. With these devices, our students are more readily able to utilize their own pittsgrove.net gmail accounts and interface with Google Docs. Interactive white boards are utilized as a teaching tool in every classroom across the District, leading to the further technology-based, interactive learning. Every teacher has a laptop computer.

The Supervisor of Technology provides support and suggests best practices in student and teacher uses of educational technology, trains teachers and other district staff in new technologies, team-teaches in K-12 classrooms and helps guide the educational technology vision in Pittsgrove Township Schools. Under his lead, the major network infrastructure of the district has been upgraded to the advanced Cisco Meraki System. Telephone and security upgrades and enhancements were also performed.

Pittsgrove Township Schools, K-12

Across the district, staff members will receive extensive professional development in the areas of Common Core Standards, Assessments, and Teacher Evaluation. Particular focus will be made on training staff and administration on the new teacher evaluation model, OnCourse Evaluate, the development of the NJDOE required Student Growth Objectives (SGOs), and data analysis. The use of half-day professional development days continue to be instrumental in providing staff with needed professional development opportunities.

OnCourse Lesson Planner, an online lesson-planning tool, was implemented at the end of the 2012-2013 school year. All teaching staff members submit their plans weekly via this program. The district continues to provide professional development for OnCourse Lesson Planner and Google Docs. Additionally, at the beginning of the 2013-2014 school year, the staff and administration were trained to use OnCourse Evaluate for staff evaluations.

Norma, Elmer and Olivet Schools

Norma School continues to operate a Pre-School Program, however, for the 2013-2014 school year, the program offered two full-day programs for four-year-old students. The program operates from a braided funding formula, including state funds for economically disadvantaged students, parent tuition and local funds. The Early Launch to Learning Initiative (ELLI) has proven to be very successful in kindergarten readiness serving approximately 66% of the incoming kindergarten class.

Norma, Elmer and Olivet Schools (Continued)

Norma, Elmer and Olivet School continue to receive extensive professional development and support materials for curricula revision, benchmark creation, Everyday Math, Fusions Science and a new literacy program- Journeys. The new literacy program materials were purchased for the 2013-2014 school year and on-going professional development is planned to support its implementation.

Pittsgrove Township Middle School

The most significant initiatives occurring in the middle school during the 2013-2014 school year were professional development based on the Common Core Standards, Writing, and Teacher evaluation, and assessments. Quarterly (formerly benchmark) assessments have become even more prominent in this process by aligning daily teaching with the CCCS while providing teachers with detailed data to meet the needs of students. Staff will be working to revise assessments in order to align the questions with the revised curricula and Common Core Standards. Extensive professional development will be devoted to data analysis.

Arthur P. Schalick High School

Like the other schools in the district, extensive professional development will be provided to revise assessments (benchmarks) in accordance with the changes to the curriculum and to better enable teachers to use data from assessments to inform instruction.

The utilization of half-day in-service opportunities has provided significant opportunities for additional professional development and support for curricular initiatives, assessment creation, and data analysis.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control process is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control process is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are being made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund.

Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2014.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability, and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

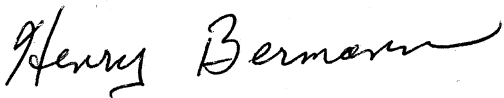
9. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, P. A., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

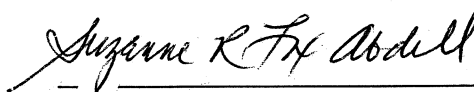
10. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Pittsgrove Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



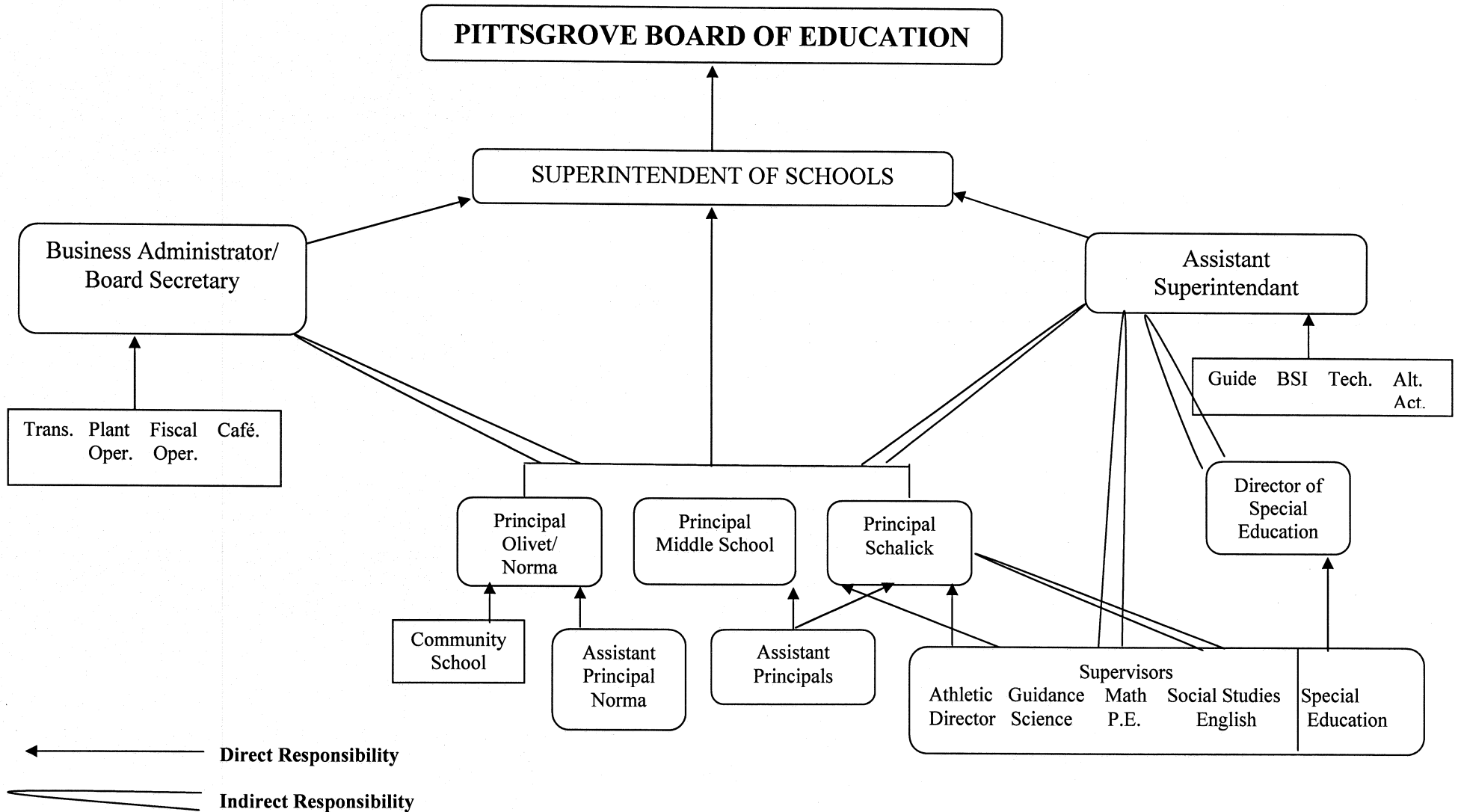
Henry Bermann
Superintendent of Schools



Suzanne R. Fox Abdill
School Business Administrator/
Board Secretary

ADMINISTRATOR/SUPERVISOR

RESPONSIBILITY AND ORGANIZATION



PITTSBGROVE TOWNSHIP BOARD OF EDUCATION
PITTSBGROVE, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2014

<u>Board Members Name</u>	<u>Position</u>	<u>Term Expires</u>
Dominick Miletta, III	President	2014
Marlene Smith	Vice President	2016
Tracey Hayman	Board Member	2015
Melissa Conover	Board Member	2014
William H. Rump	Board Member	2014
Patricia Snyder	Board Member	2015
Joseph E. Wentzell	Board Member	2015
Samuel Wheaton	Board Member (Elmer Representative)	2016
Peter Lawlor	Board Member	2016
Tracy Penven	Board Member	2016

<u>Other Officials</u>		<u>Amount of Bond</u>
Henry Bermann	Superintendent	\$ 250,000
Suzanne R. Fox Abdill	Business Administrator/ Board Secretary	250,000
Lipman, Antonelli, Batt, Gilson Rothman & Capasso	General Counsel	
Parker, McCay, PA	Bond Counsel	
Porzio, Bromberg & Newman, PC	General Counsel	

TOWNSHIP OF PITTSBURGH BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

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General Counsel
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Parker McCay, P.A.
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Mount Laurel, NJ 08054-5054

General Counsel
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Porzio, Bromberg & Newman, P.C.
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Bond Counsel
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Parker McCay, P.A.
Three Greentree Center
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TOWNSHIP OF PITTSBGROVE BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

ATTORNEY (Cont'd)

Labor Relations & Negotiations

Mr. Paul C. Kalac
Kalac, Barger & Bacigalupo, LLC
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Elmer, NJ 08318

Susquehanna Bank

Upper Deerfield Office
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Bridgeton NJ, 08302

FISCAL AGENT

Parker, McCay & Criscuolo, P.C.

Three Greentree Centre, Suite 401
Marlton, NJ 08053

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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Williamstown, NJ 08094

(856) 629-3111

Fax (856) 728-2245

November 12, 2014

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Pittsgrove Township School District
County of Salem
Pittsgrove, NJ 08318

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Township of Pittsgrove School District in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2014, which collectively comprise the Township of Pittsgrove School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Township of Pittsgrove Board of Education in the County of Salem, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

New Accounting Standards

As discussed in Note 2 to the financial statements, during the fiscal year ended June 30, 2013, the School District adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB): Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

The Management Discussion and Analysis and Budgetary Comparison Information on pages 13 through 22a and 58 through 64 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Pittsgrove Board of Education's, basic financial statements as a whole. The introductory section, combining fund financial statements, long-term debt schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy For Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, long-term debt schedules and the schedules of expenditures of federal and state assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedure applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated November 12, 2014 on our consideration of the Township of Pittsgrove Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**PITTSBORO TOWNSHIP SCHOOL DISTRICT
PITTSBORO TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

UNAUDITED

The discussion and analysis of Pittsboro Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2014 are as follows:

- ❖ General revenues of the District accounted for \$26,614,539 in revenue or 84.5% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,890,784 or 15.5% percent to total revenues of \$31,505,323.
- ❖ Total Net Position of governmental activities decreased by \$833,381 comprised of changes in cash and cash equivalents, receivables, inventory, and capital assets. The Net Position of the Business-type Activities increased by \$98,467.
- ❖ The School District had \$32,111,628 in total expenses, of which only \$4,890,784 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily federal awards, state aid and property taxes) of \$26,614,539 were not adequate to provide for these programs. These revenues and expenses include the Business-type Activities.
- ❖ The General Fund had \$27,877,372 in revenues, \$28,106,330 in expenditures and \$7,511 in net other financing uses. Other financing sources represented \$9,017 transferred to a Charter School and interest and miscellaneous income of \$1,506, transferred from the Capital Projects Fund. The General Fund balance decreased by \$236,469 over 2013. This decrease was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Pittsboro Township School District as a financial whole as well as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Pittsboro Township School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains numerous funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2014?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's Net Position and changes that position. This change in Net Position is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities and internal service funds.
- ❖ **Business – Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and School Age Childcare enterprise funds are reported as business-type activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 25. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides.

Governmental Funds (Continued)

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole, which includes the Business-Type Activities.

Table 1 provides a comparative summary of the School District's Net Position for the years ended in 2014 and 2013.

Table 1
Net Position

	2014	2013
Assets		
Current and Other Assets	\$ 3,307,421	\$ 3,106,913
Capital Assets, Net	15,878,640	17,053,619
Total Assets	19,186,061	20,160,532
Liabilities		
Other Liabilities	3,411,150	3,209,529
Non-Current Liabilities	10,193,113	10,777,108
Total Liabilities	13,604,263	13,986,637
Net Position		
Invested in Capital Assets, Net of Debt	6,762,227	7,058,453
Restricted	524,090	712,709
Unrestricted	(1,704,519)	(1,454,450)
Total Net Position	\$ 5,581,798	\$ 6,316,712

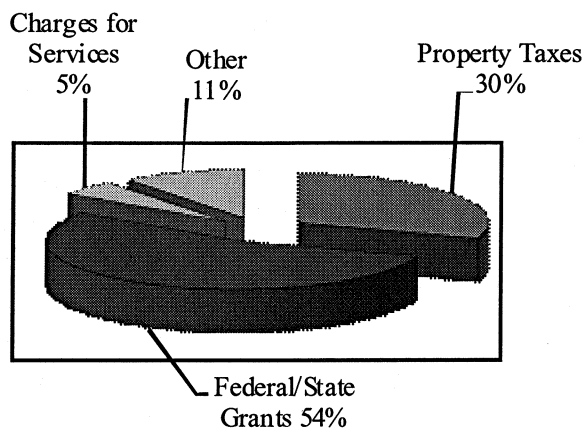
Table 2 shows the changes in Net Position from fiscal year's 2014 and 2013.

Table 2
Changes in Net Position

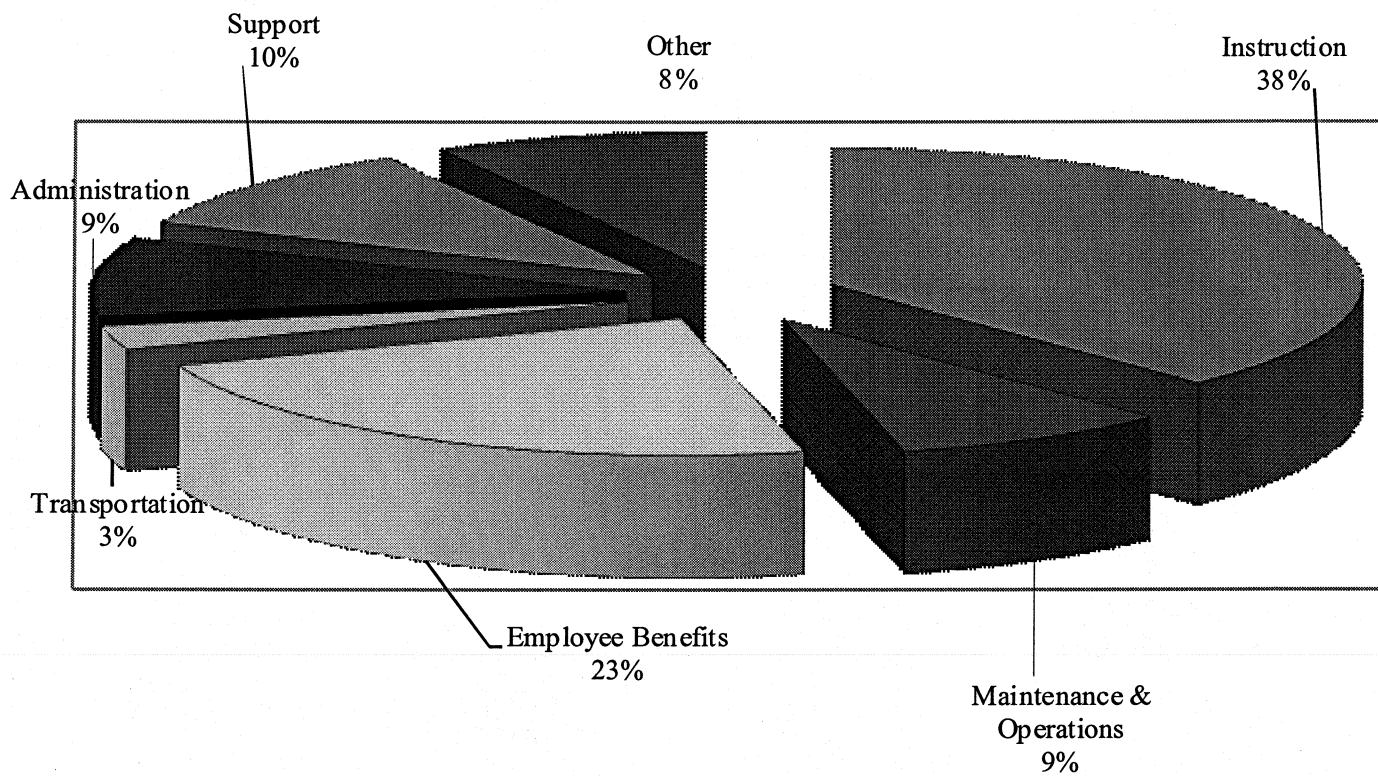
	2014	2013
Revenues		
Programs Revenues		
Charges for Services	\$ 1,541,472	\$ 2,582,759
Operating Grants and Contributions	3,349,312	3,566,596
General Revenues		
Property Taxes	9,545,169	9,432,954
Grants and Entitlements	13,772,056	13,216,567
Other	3,297,314	3,297,570
Total Revenues	31,505,323	32,096,446
Program Expenses		
Instruction	11,792,777	10,683,612
Support Services		
Pupils and Instructional Staff	3,214,303	3,643,222
General Administration, School		
Administration, Business	2,935,712	3,926,562
Operations and Maintenance of		
Facilities	2,612,458	2,439,996
Pupil Transportation	1,841,265	1,947,403
Employee Benefits	7,155,865	6,666,212
Interest on Debt	356,493	324,953
Food Service and Child Care	800,051	890,381
Other	1,402,704	1,444,502
Total Expenses	32,111,628	31,966,843
Excess of Expenditures over Revenues	(606,305)	129,603
Other Adjustments:		
Cancellation of Receivables and Payables	(65,507)	(244,974)
Transfer to Charter School	(9,017)	
Inventory Adjustment	(54,085)	
(Decrease) Increase in Net Position	\$ (734,914)	\$ (115,371)

The breakdown by percentage of revenues and expenditures of the entire District as a whole for the fiscal year ended June 30, 2014 are illustrated in the two charts shown on the following page:

Revenues for Fiscal Year 2014



Expenses for Fiscal Year 2014



Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The total governmental revenues of the Pittsgrove Township School District for fiscal year 2014, excluding business-type activities and other net financing uses, were \$26,614,347. The District's Property taxes made up 35.9% percent of these net revenues for governmental activities. Unrestricted Federal, state and local grants accounted for another 51.7%. The total cost of services was \$31,311,577. The net cost of all governmental programs and services, which excludes charges for services and operating grants, was \$27,319,119. Instruction comprises 37.7% of these net District expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	<u>Total Cost of Services 2014</u>	<u>Net Cost of Services 2014</u>	<u>Total Cost of Services 2013</u>	<u>Net Cost of Services 2013</u>
Instruction	\$ 11,129,015	\$ 10,302,005	\$ 10,683,612	\$ 9,960,278
Tuition	663,762	663,762	507,683	507,683
Support Services				
Pupils and Instructional Staff	3,214,303	3,066,748	3,135,539	2,928,338
General Administration, School				
Administration, Business	2,935,712	2,325,284	3,926,562	2,250,969
Operation and Maintenance of Facilities	2,612,458	2,592,232	2,439,996	2,423,466
Pupil Transportation	1,841,265	1,572,887	1,947,403	1,741,610
Employee Benefits	7,155,865	5,037,004	6,666,212	4,237,393
Special Schools	96,324	96,324	91,592	91,592
Interest and Fiscal Charges	356,493	356,493	324,953	324,953
Other	1,306,380	1,306,380	1,352,910	1,309,787
Total Expenses	<u>\$ 31,311,577</u>	<u>\$ 27,319,119</u>	<u>\$ 31,076,462</u>	<u>\$ 25,776,069</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District as well as internal service fund expenses.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition as well as internal service fund expenses.

Curriculum and staff development expenses (included in support services) related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law as well as internal service fund expenses.

Extracurricular activities include instructional expenses related to student activities provided by the School District which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization of debt issue costs.

Business-Type Activities

Revenues for the District's Business-Type Activities (Food Service and SACC programs) were comprised of charges for services and federal and state reimbursements.

- ❖ Program Revenues exceeded Expenses by \$98,275. There was no board subsidy required for the year. There was also miscellaneous interest revenue of \$192, resulting in a positive change in Net Position of \$98,467.
- ❖ Charges for services represent \$388,776 for the Food Service Fund and \$144,876 in the Child Care (SACC) Fund. This represents amount paid by patrons for daily food services and SACC activities.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$364,674.

The School District's Funds

Information about the School District's major funds starts on page 25. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$29,650,985, expenditures of \$29,862,734 and other financing uses of \$7,511, including the transfer to a Charter School and miscellaneous revenue transferred from the Capital Projects Fund. The net negative change in Governmental fund balances for the year was \$220,766, which includes \$236,469 in the General fund, offset by \$13,395 in the Debt Service Fund and \$2,308 in the permanent fund. While the District was not able to meet current operating costs without the use of surplus, there is no urgent need for additional funds.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects and permanent scholarship funds) for the fiscal year ended June 30, 2014, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2013</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 12,894,291	43.49%	\$ 63,571	0.50%
State Sources	15,902,514	53.63%	251,230	1.61%
Federal Sources	854,180	2.88%	51,508	6.42%
Total	<u>\$ 29,650,985</u>	<u>100.00%</u>	<u>\$ 366,309</u>	<u>1.25%</u>

The increase in Local sources is attributed to increases in local tax levy of \$112,215 and \$134,048 in tuition revenue, offset by a decrease of 182,398 in other miscellaneous revenues and \$294 in interest earned.

The increase in State sources is attributed to increases in various state public aid of \$259,539, offset by a decrease in debt service aid of \$8,309.

The above schedule includes the last two state aid payments for 2012-2013 of \$1,265,666 received in July 2013 and does not include the last two state aid payments for 2013-2014 received in July 2014 in the amount of \$1,259,811.

The increase in Federal sources is due to \$4,294 in the Medicaid Aid and \$47,214 in various other special revenue grants. In addition, the 2014 figures do not include deferred revenue in accordance with GAAP accounting.

The following schedule presents a summary of governmental fund expenditures for the fiscal year ended June 30, 2014 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2013</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 11,040,822	36.97%	\$ 407,044	3.83%
Undistributed Expenditures	17,567,786	58.83%	500,335	2.93%
Capital Outlay	312,914	1.05%	(594,101)	-65.50%
Debt Service:				
Principal	578,648	1.94%	(32,630)	-5.34%
Interest	266,240	0.89%	(53,391)	-16.70%
Special Schools	96,324	0.32%	4,732	5.17%
Total	<u>\$ 29,862,734</u>	<u>100.00%</u>	<u>\$ 231,989</u>	<u>0.78%</u>

The increase in instructional expenditures is attributed to increases in Regular instruction of \$11,378, Special education instruction of \$230,397, other instructional expenses of \$7,705 and other special instruction expenses of \$157,564.

The increase in undistributed expenditures was due to increases in tuition costs of \$156,079, student and instruction related services of \$91,941, general administration cost of \$113,765, and employee benefit cost of \$465,268, offset by decreases in school administration costs of \$7,693, central services and information technology costs of \$30,124, plant operations and maintenance of \$120,178 and pupil transportation of \$168,723.

The decrease in capital outlay is attributed to decreases in general fund capital outlay of \$388,606, special revenue fund instructional equipment of \$11,936 and capital projects fund expenditures of \$193,559.

The decrease in debt service is the result of reduced principal and interest payments on debt obligations.

The increase in special schools is attributed to an overall increase in expenditures of \$4,732.

General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2014, the School District amended its General Fund budget as needed. The School District uses program based budgeting. These budgeting systems are designed to tightly control total program budgets while providing flexibility for program management to address the following:

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District's final budget for the general fund anticipated that revenues, including surplus appropriated of \$132,364, would roughly equal expenditures, the actual results for the year show a decrease in surplus of \$242,324 as shown on Exhibit C-1.

- ❖ Actual revenues were \$65,611 less than expected, excluding on-behalf pension and social security reimbursements of \$2,075,372, reflecting a positive variance of \$2,009,761.
- ❖ Actual expenditures were \$292,719 less than expected and shows that there were favorable variances in most expenditure accounts. This excludes state on-behalf pension and social security reimbursements of \$2,075,372.

Capital Assets

At the end of the fiscal year 2014, the School District had \$15,878,640 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2014 balances compared to 2013.

Table 4
Capital Assets (Net of Depreciation) at June 30

	2014	2013
Land	\$ 196,431	\$ 196,431
Land Improvements	335,699	375,896
Building and Improvements	14,308,802	15,250,746
Buses	284,356	402,546
Furniture and Equipment	753,352	828,000
Totals	<u>\$ 15,878,640</u>	<u>\$ 17,053,619</u>

Overall capital assets decreased \$1,174,979 from fiscal year 2013 to fiscal year 2014. Increases in capital assets by purchase or construction were \$174,102. These additions were offset by depreciation expenses of \$1,349,081 for the year.

Debt Administration:

At June 30, 2014, the District's outstanding debt was \$10,192,546 and included \$6,911,000 of general obligation bonds, \$824,906 in compensated absences and \$2,456,640 in capital leases.

At June 30, 2014, the School District's overall legal debt margin was \$25,656,112 and the amount available in the debt margin for future borrowing \$18,745,112 or 73% of the total allowable amount.

Remaining outstanding debt at June 30, 2014 is as follows:

Description	Date of Issue	Amount of Issue	Amount Outstanding June 30, 2014
Construction of Additions and Other Improvements to Middle School	5/1/1999	\$ 6,950,000	\$ 3,420,000
2011 Various Capital Expenditures	12/18/2009	1,856,000	1,706,000
2013 Refunding Issue	3/20/2013	1,805,000	1,785,000

For the Future

Presently the Pittsgrove Township School District is in good financial condition. This statement is made in the context of strict growth limitations. Financing current programs in the future is the major concern for the administration and the Board of Education. A new funding structure that has increased reliance on property taxes adds to this concern. The future financing of educational programming will require Pittsgrove Township to make some difficult decisions regarding the allocation of its resources.

The Board of Education continues its commitment to providing quality schooling for the children of Pittsgrove Township. Recent literacy, technology, and reduced class size initiatives attest to the fact. However, with resources being finite, and the continued pressure of federal and state mandated programs, the future is not without challenge. Pittsgrove Township is primarily a residential community, with very few ratables; thus the homeowner bears the tax burden. The current down turn in the economy has impacted future State funding to the school, this has made the budget process more challenging.

During this year's budget process, it will be the concern of the administration and Board of Education to conduct a program review of all costs centers in the district.

In conclusion, the Pittsgrove Township School District has committed itself to fiscal responsibility for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls meet all industry standards and are functioning well. The School District plans to continue its sound fiscal practice, while recognizing the challenge of finding revenues to meet expense requirements.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact, Suzanne R. Fox Abdill, School Business Administrator at Pittsgrove Township Board of Education.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,869,327	\$ 170,449	\$ 2,039,776
Receivables, Net	988,482	82,317	1,070,799
Inventory	52,978	2,854	55,832
Restricted Assets:			
Capital Reserve Account - Cash	2,721		2,721
Capital Assets, Net (Note 5)	15,841,366	37,274	15,878,640
	<hr/>	<hr/>	<hr/>
Total Assets	18,754,874	292,894	19,047,768
	<hr/>	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Amounts on Refunding of Debt	138,293		138,293
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Accounts Payable	1,136,614	130,849	1,267,463
Interfund Payable	4,500		4,500
Short-Term Loan Payable	1,266,741		1,266,741
Accrued Interest Payable	125,512		125,512
Unearned Revenue	739,757	7,177	746,934
Noncurrent Liabilities (Note 6):			
Due Within One Year	1,181,296	567	1,181,863
Due Beyond One Year	9,011,250		9,011,250
	<hr/>	<hr/>	<hr/>
Total Liabilities	13,465,670	138,593	13,604,263
	<hr/>	<hr/>	<hr/>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	6,724,953	37,274	6,762,227
Restricted for:			
Capital Projects	51,632		51,632
Capital Reserve	2,721		2,721
Permanent Endowment - Nonexpendable	93,288		93,288
Other Purposes	376,449		376,449
Unrestricted	(1,821,546)	117,027	(1,704,519)
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 5,427,497	\$ 154,301	\$ 5,581,798
	<hr/>	<hr/>	<hr/>

The accompanying Notes to Financial Statements are an integral part of this statement.

PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Regular	\$ 8,103,294	\$	\$ 827,010	\$ (7,276,284)	\$	\$ (7,276,284)
Special Education	2,216,980			(2,216,980)		(2,216,980)
Other Special Instruction	422,846			(422,846)		(422,846)
Other Instruction	385,895			(385,895)		(385,895)
Support Services:						
Tuition	663,762			(663,762)		(663,762)
Student & Instruction Related Services	3,214,303	108,788	38,767	(3,066,748)		(3,066,748)
School Administrative Services	1,132,564			(1,132,564)		(1,132,564)
General and Business Admin. Services	718,866	236,898		(481,968)		(481,968)
Central Services and Information Tech.	1,000,428	289,676		(710,752)		(710,752)
Plant Operations and Maintenance	2,612,458	20,226		(2,592,232)		(2,592,232)
Pupil Transportation	1,841,265	268,378		(1,572,887)		(1,572,887)
Business Support Services	83,854	83,854		-		-
Employee Benefits	7,155,865		2,118,861	(5,037,004)		(5,037,004)
Special Schools	96,324			(96,324)		(96,324)
Interest on Long-Term Debt	356,493			(356,493)		(356,493)
Unallocated Depreciation	1,306,380			(1,306,380)		(1,306,380)
Total Governmental Activities	31,311,577	1,007,820	2,984,638	(27,319,119)		(27,319,119)
Business-Type Activities:						
Food Service	686,032	388,776	364,674		67,418	67,418
Child Care	114,019	144,876			30,857	30,857
Total Business-Type Activities	800,051	533,652	364,674		98,275	98,275
Total Primary Government	\$ 32,111,628	\$ 1,541,472	\$ 3,349,312	(27,319,119)	98,275	(27,220,844)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				9,003,134		9,003,134
Taxes Levied for Debt Service				542,035		542,035
Federal and State Aid not Restricted				13,772,056		13,772,056
Tuition Received				3,168,286		3,168,286
Investment Earnings				6,478	192	6,670
Miscellaneous Income				122,358		122,358
Cancellation of Accounts Receivable				(68,540)		(68,540)
Cancellation of Accounts Payable				3,033		3,033
Inventory Adjustment				(54,085)		(54,085)
Transfers				(9,017)		(9,017)
Total General Revenues, Special Items, Extraordinary Items and Transfers				26,485,738	192	26,485,930
Change in Net Position				(833,381)	98,467	(734,914)
Net Position—Beginning (Restated)				6,260,878	55,834	6,316,712
Net Position—Ending				\$ 5,427,497	\$ 154,301	\$ 5,581,798

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 863,484	\$	\$ 37,101	\$ 13,397	\$ 97,788	\$ 1,011,770
Due from Other Funds	662,043					662,043
State Aid Receivable	26,684		569,280			595,964
Federal Aid Receivable		144,459				144,459
Receivables from Other Governments	141,841					141,841
Other Accounts Receivable	39,727					39,727
Restricted Cash - Capital Reserve	2,721					2,721
Total Assets	<u>\$ 1,736,500</u>	<u>\$ 144,459</u>	<u>\$ 606,381</u>	<u>\$ 13,397</u>	<u>\$ 97,788</u>	<u>\$ 2,598,525</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 798,412	\$ 38,759	\$	\$	\$	\$ 837,171
Short-Term Loan Payable	1,266,741					1,266,741
Due to Other Governments	12,345					12,345
Other Liabilities	39,518					39,518
Interfund Payable	71,613	104,462	540,116		4,500	720,691
Unearned Revenue		8,168				8,168
Total Liabilities	<u>2,188,629</u>	<u>151,389</u>	<u>540,116</u>		<u>4,500</u>	<u>2,884,634</u>
Fund Balances:						
Restricted for Capital Reserve	2,721					2,721
Assigned:						
Year-End Encumbrances	155,349		14,633			169,982
Designated for Subsequent Years						
Expenditures	200,000					200,000
Unassigned, Reported In:						
General Fund	(810,199)					(810,199)
Special Revenue Fund		(6,930)				(6,930)
Capital Projects Fund			51,632			51,632
Debt Service Fund				13,397		13,397
Permanent Fund					93,288	93,288
Total Fund Balances (Deficit)	<u>(452,129)</u>	<u>(6,930)</u>	<u>66,265</u>	<u>13,397</u>	<u>93,288</u>	<u>(286,109)</u>
Total Liabilities and Fund Balances	<u>\$ 1,736,500</u>	<u>\$ 144,459</u>	<u>\$ 606,381</u>	<u>\$ 13,397</u>	<u>\$ 97,788</u>	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost of the assets is \$38,621,995 and the accumulated depreciation is \$22,789,252 (See Note 5).	15,832,743
Deferred Outflows of Resources - Amounts of Refunding Debt Coat	138,293
Accrued interest is not payable within the current year and therefore, not reported in the funds.	(125,512)
Internal Service Fund - Reserve for Encumbrances	60,628
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6).	(10,192,546)
Net Position of Governmental Activities	<u>\$ 5,427,497</u>

The accompanying Notes to Financial Statements are an integral part of this statement

PITTSBORO TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUES						
Local sources:						
Local Tax Levy	\$ 9,003,134	\$	\$	\$ 542,035	\$	\$ 9,545,169
Tuition Charges	3,168,286					3,168,286
Interest Earned	6,044		145		289	6,478
Miscellaneous	168,728		1,361		4,269	174,358
Total - Local Sources	12,346,192		1,506	542,035	4,558	12,894,291
State Sources	15,516,966	69,300		316,248		15,902,514
Federal Sources	14,214	839,966				854,180
Total Revenues	27,877,372	909,266	1,506	858,283	4,558	29,650,985
EXPENDITURES						
Current:						
Regular Instruction	7,188,091	827,010				8,015,101
Special Education Instruction	2,216,980					2,216,980
Other Special Instruction	422,846					422,846
Other Instruction	385,895					385,895
Support Services:						
Tuition	663,762					663,762
Student & Instruction Related Services	3,064,498	38,767			2,250	3,105,515
General Administrative Services	655,238					655,238
School Administrative Services	1,132,564					1,132,564
Central Services and Information Technology	724,659					724,659
Plant Operations and Maintenance	2,589,199					2,589,199
Pupil Transportation	1,572,887					1,572,887
Employee Benefits	7,080,473	43,489				7,123,962
Debt Service:						
Principal				578,648		578,648
Interest and Other Charges				266,240		266,240
Capital Outlay	312,914					312,914
Special Schools	96,324					96,324
Total Expenditures	28,106,330	909,266		844,888	2,250	29,862,734
Excess (Deficiency) of Revenues over Expenditures	(228,958)		1,506	13,395	2,308	(211,749)
OTHER FINANCING SOURCES (USES)						
Transfer to Charter School	(9,017)					(9,017)
Interest Earned Transferred to General Fund	1,506		(1,506)			
Total Other Financing Sources and Uses	(7,511)		(1,506)			(9,017)
Net Change in Fund Balances	(236,469)			13,395	2,308	(220,766)
Fund Balance—July 1 (Deficit)	(215,660)	(6,930)	66,265	2	90,980	(65,343)
Fund Balance—June 30 (Deficit)	\$ (452,129)	\$ (6,930)	\$ 66,265	\$ 13,397	\$ 93,288	\$ (286,109)

The accompanying Notes to Financial Statements are an integral part of this statement

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Total Net Change in Fund Balances - Governmental Funds (from B-2) **\$ (220,766)**

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation Expense \$	(1,344,257)	
	Capital Lease Principal paid in Operating Budget	182,676	
	Capital Outlays	259,654	
			(901,927)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.	578,648
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Increase in Compensated Absences is not considered an expense in the fund statements.	(31,903)
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In the Statement of Activities, interest on long-term debt is accrued, regardless of when it is due. In the governmental funds, interest is charged when payment is due.	(266,816)
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In the Statement of Activities, Deferred Debt Refinancing costs are amortized over the life of the Debt. However, in the governmental fund, no expenditures are incurred.	(4,524)
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Proceeds from a capital lease are considered a financing source in the governmental funds. They are not, however, a revenue in the Statement of Activities, whereby issuing debt increases long-term liabilities in the Statement of Net Position.	-
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Internal Service Fund - Increase in Reserve for Encumbrances	13,907
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Change in Net Position of Governmental Activities (See A-2)	\$ (833,381)
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PROPRIETARY FUNDS

PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	SACC Program	Totals	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 52,033	\$ 50,557	\$ 102,590	\$ 925,416
Accounts Receivable	72,284	10,033	82,317	66,481
Interfund Receivable	71,613		71,613	
Inventories	2,854		2,854	52,978
Fixed Assets, Net				8,623
Total Current Assets	198,784	60,590	259,374	1,053,498
Noncurrent Assets:				
Furniture, Machinery & Equipment	242,400		242,400	
Less Accumulated Depreciation	(205,126)		(205,126)	
Total Noncurrent Assets	37,274		37,274	
Total Assets	236,058	60,590	296,648	1,053,498
LIABILITIES				
Current Liabilities:				
Accounts Payable	128,826	2,023	130,849	15,989
Interfund Payable		3,754	3,754	13,701
Other Current Liabilities		567	567	231,591
Unearned Revenue	3,898	3,279	7,177	731,589
Total Liabilities	132,724	9,623	142,347	992,870
NET POSITION				
Invested in Capital Assets Net of Related Debt	37,274		37,274	
Restricted for:				
Encumbrances				60,628
Unrestricted	66,060	50,967	117,027	
Total Net Position	\$ 103,334	\$ 50,967	\$ 154,301	\$ 60,628

PITTSBORO TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities - Enterprise Fund			Governmental Activities - Internal Service Fund
	Food Service	SACC Program	Total Enterprise	
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 239,715	\$	\$ 239,715	\$
Daily Sales - Non-reimbursable Programs	108,081		108,081	
Special Functions	35,525		35,525	
Miscellaneous	5,455		5,455	
Service Charges		144,876	144,876	959,416
Total Operating Revenues	388,776	144,876	533,652	959,416
Operating expenses:				
Cost of Sales	291,371		291,371	
Salaries	206,586	96,371	302,957	436,537
Employee Benefits	42,804	8,033	50,837	8,151
Purchased Professional/ Technical Services				242,644
Other Purchased Services				36,375
Supplies and Materials	46,050		46,050	93,973
Management Fees	58,370		58,370	
Insurance	12,852		12,852	
Miscellaneous Other Costs	26,049	9,615	35,664	1,767
Depreciation	1,950		1,950	2,874
Total Operating Expenses	686,032	114,019	800,051	822,321
Operating Income (loss)	(297,256)	30,857	(266,399)	137,095
Non-operating revenues (expenses):				
State Sources:				
State School Lunch Program	7,623		7,623	
Federal Sources:				
National School Lunch Program	247,662		247,662	
National School Breakfast Program	57,961		57,961	
Special Milk Program	1,119		1,119	
Food Distribution Program	50,309		50,309	
Transfer to Unearned Revenue				48,404
Transfer to General Fund				(52,000)
Cancellation of Accounts Receivable				(68,540)
Cancellation of Accounts Payable				3,033
Inventory Adjustment				(54,085)
Interest and Miscellaneous Items	192		192	
Total Non-operating Revenues (Expenses)	364,866		364,866	(123,188)
Income (Loss) before Contributions & Transfers	67,610	30,857	98,467	13,907
Change in Net Position	67,610	30,857	98,467	13,907
Total Net Position—Beginning	35,724	20,110	55,834	46,721
Total Net Position—Ending	\$ 103,334	\$ 50,967	\$ 154,301	\$ 60,628

The accompanying Notes to Financial Statements are an integral part of this statement

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	SACC Program	Total Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 388,776	\$ 144,876	\$ 533,652	\$ 959,416
Payments to employees	(206,586)	(96,371)	(302,957)	(436,537)
Payments for employee benefits	(42,804)	(8,033)	(50,837)	(8,151)
Payments to suppliers	(459,170)	(3,864)	(463,034)	(402,152)
Net cash provided by (used for) operating activities	(319,784)	36,608	(283,176)	112,576
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	7,623		7,623	
Federal Sources	306,742		306,742	
Net cash provided by (used for) non-capital financing activities	314,365		314,365	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets				
Net cash provided by (used for) capital and related financing activities				
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	192		192	
Proceeds from sale/maturities of investments				
Net cash provided by (used for) investing activities	192		192	
Net increase (decrease) in cash and cash equivalents	(5,227)	36,608	31,381	112,576
Balances—beginning of year	57,260	13,949	71,209	812,840
Balances—end of year	\$ 52,033	\$ 50,557	\$ 102,590	\$ 925,416
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (297,256)	\$ 30,857	\$ (266,399)	\$ 137,095
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	1,950		1,950	2,874
Federal commodities	50,309		50,309	
(Increase) decrease in accounts receivable, net	(8,064)	302	(7,762)	305,726
(Increase) decrease in interfund receivable	683		683	
(Increase) decrease in inventories	2,484		2,484	79,285
(Increase) decrease in fixed assets, net	(3,500)		(3,500)	
Increase (decrease) in accounts payable	(64,611)	20	(64,591)	(410,198)
Increase (decrease) in unearned revenue	(1,779)	1,544	(235)	(9,087)
Increase (decrease) in interfunds payable		3,754	3,754	(87,664)
Increase (decrease) in compensated absences		131	131	
Increase (decrease) in other current liabilities				217,733
Transfers to General Fund				(52,000)
Transfers to Unearned Revenue				48,404
Cancellation of Accounts Receivable				(68,540)
Cancellation of Accounts Payable				3,033
Inventory Adjustment				(54,085)
Total adjustments	(22,528)	5,751	(16,777)	(24,519)
Net cash provided by (used for) operating activities	\$ (319,784)	\$ 36,608	\$ (283,176)	\$ 112,576

The accompanying Notes to Financial Statements are an integral part of this statement

FIDUCIARY FUNDS

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 97,788	\$ 148,288
Due from Scholarship Fund		4,500
	<hr/>	<hr/>
Total Assets	97,788	152,788
	<hr/>	<hr/>
LIABILITIES		
Accounts Payable		6,611
Due to Student Activity Fund	4,500	
Payable to Student Groups		131,074
Payroll Deductions and Withholdings		15,093
Due to Current Fund		10
	<hr/>	<hr/>
Total Liabilities	4,500	\$ 152,788
	<hr/>	<hr/>
NET POSITION		
Reserved for Scholarships	\$ 93,288	
	<hr/>	

The accompanying Notes to Financial Statements are an integral part of this statement

EXHIBIT B-8

PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Private Purpose Scholarship Fund</u>
ADDITIONS	
Contributions	\$ 4,269
Investment Earnings:	
Interest	289
Total Additions	<u>4,558</u>
DEDUCTIONS	
Scholarships Awarded	<u>2,250</u>
Change in Net Position	2,308
Net Position—Beginning of the Year	<u>90,980</u>
Net Position—End of the Year	<u><u>\$ 93,288</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement

**PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Pittsgrove Township School District (District) is organized under the Constitution of the State of New Jersey. The District operates under a locally elected Board form of government consisting of nine members elected to three-year terms, which are staggered. The District provides educational services as authorized by state and federal guidelines.

The District serves an area of sixty-five square miles. It is located in Salem County and provides education for all of Pittsgrove Township's grades K through 12. The District currently operates four instructional buildings, an administrative building, and a special services building.

A. Reporting Entity:

The Pittsgrove Township School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms and one sending district member appointed annually. The purpose of the district is to educate students in grades K-12. The School District had an approximate enrollment at June 30, 2014 of 1,802 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of Pittsgrove Township School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments).

**PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In addition, the School District has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Descriptions*.

A. Basis of Presentation:

The District's basic financial statements consist of District-wide statements, including a statement of Net Position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

District-wide Statements: The statement of Net Position and the statements of activities display information about the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of Net Position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses-expenses of the District related to the administration and support of the District's programs, such as personnel and accounting-are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the opinion noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

**PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GOVERNMENTAL FUND TYPE

The focus of Governmental Fund measurement is upon determination of financial position and changes in financial position, (sources, uses and balances of financial resources) rather than upon net income. The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

PROPRIETARY FUND TYPE

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise (Food Service and SACC) Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund and the School Age Child Care Program.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:	
Equipment	7-20 Years

Internal Service Fund - The Internal Service Fund has been established to account for various services provided by the Pittsgrove Township School District for use by various other districts within and outside of the County of Salem, as well as for the Pittsgrove Township School District itself. Services are generally provided on a cost-reimbursement basis.

The district implemented the use of internal service funds for the following:

- Business Services
- Internet Access
- Distance Learning Hub
- Transportation Jointure and Maintenance for other school districts
- Joint paper purchasing for other school districts
- Art Academy
- Custodial Services – Through October, 2009

**PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

FIDUCIARY FUND TYPE

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Insurance fund.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District maintains a Scholarship Fund as a Nonexpendable Trust Fund.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

C. Basis of Accounting and Measurement Focus:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting and Measurement Focus (Cont'd):

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for the principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring the financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2 (f) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year. The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The following presents a reconciliation of the special revenue funds from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types. Note that the district does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment. The general fund statement of revenue reflects the last state aid payment of the prior year, which was received in July 2013 as revenue, but omits the last state aid payment of the current 2013-14 year received in July 2014.

E. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable:

Tuition charges for the fiscal years 2013-14, 2012-13 and 2011-12 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as expenditure during the year of purchase.

On district-wide financial statements and in the Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

**PITTSBURGH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

I. Short -Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Assets, Liabilities and Equity:

Transactions

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

Inventories

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expensed when used. Of the \$2,854 in inventory reflected as of June 30, 2014, Federal Commodity Food represents the entire amount. Per agreement with the management service company, supply and purchased food inventory is owned by the management company. Supply and purchased food consumed by the District is billed to the District in the period consumed. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Capital Assets - The District is establishing a formal system of accounting for its capital assets. Capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. Capital assets acquired or constructed prior to June 30, 2003 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Capital assets are reflected as expenditures in the applicable governmental funds. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated in the District-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Building	30-50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

**PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the Long-Term Debt. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

L. Unearned Revenue:

Unearned Revenue in the special revenue fund represents cash that has been received but not yet earned.

M. Bond and Lease Acquisition Costs:

As part of any long-term bond or lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. The prior year Net Position has been restated, to write off the balance of unamortized bond and lease issue costs as of June 30, 2012.

N. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

O. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

P. Extraordinary and Special Items:

Extraordinary items are transactions or events, unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Q. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

R. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

S. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

T. Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

U. Net Position:

Net Position represents the difference between assets and liabilities. Net investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position is available.

V. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

**PITTSBURGH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

W. Revenues – Exchange and Non-exchange Transactions:

Revenue is resulting from exchange transactions, in which each party gives and receives essentially equal value, and is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

X. New Accounting Standards:

During fiscal year 2013, the district adopted the following GASB statements:

- GASB 62, *Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect in a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.
- GASB 65, *Items Previously reported as Assets and Liabilities*, although not required to be implemented until next year, the District elected to apply the statement to the current year financial statements. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items were previously reported as assets and liabilities and recognize, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

**PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

X. New Accounting Standards (Cont'd):

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 66, *Technical Corrections-2012, an Amendment of GASB Statements 10 and 62*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions and No. 62, Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.
- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision- useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 25, *Financial reporting for Deferred Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No.50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- GASB 68, *Accounting and Financial reporting for Pensions*, will be effective beginning with the year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions hat is provided by other state entities. This Statement replaces the requirements of Statement No.27, *Accounting for Pension Disclosures, and Local Governmental Employers*, as well as the requirements of Statement No.50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- GASB 69, *Government Combinations and disposals of Government Operations*, is effective for periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

**PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

X. New Accounting Standards: (Cont'd)

- GASB 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, is effective for periods beginning after June 15, 2013. This Statement's objective is to improve accounting and financial reporting by state and local governments that extend and receive non-exchange financial guarantees. This Statement requires a government that extends a non-exchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate for the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

**PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

As of June 30, 2014, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Accounts	\$ 1,920,839
N.J. Cash Management Fund	269,946
Total	<u>\$ 2,190,785</u>

Custodial Credit Risk - Custodial Credit Risk is the risk that, in the event of a bank failure, the School Districts deposits may not be returned to it. Although the School District does not have a formal policy regarding custodial credit risk, as described in Note 1: N.J.S.A. 17:9-41 et. Seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Protection Act. As of June 30, 2014, the School Districts bank balance of \$1,786,832 was insured or collateralized as follows:

Insured	\$ 500,000
Uninsured and collateralized under GUDPA by pledging financial institutions	<u>2,390,067</u>
	<u>\$ 2,890,067</u>

**PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

New Jersey Cash Management Fund – During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2014, the District had \$269,946 on deposit with the New Jersey Cash Management Fund.

NOTE 4. CAPITAL RESERVE ACCOUNT

Capital reserve accounts may be established by New Jersey school districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or un-expended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to *N.J.A.C. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support cost of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning Balance July 1, 2013	\$2,711
Interest Earnings	10
Withdrawal: Transfer to the Debt Service Fund	(0)
Ending balance June 30, 2014	<u>\$ 2,721</u>

The June 30, 2014 balance in the Capital Reserve Account is within the maximum balance per the districts' LRFP. There was no withdrawal from the account during the school year ended June 30, 2014.

**PITTSBURGH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 5. CAPITAL ASSETS

The Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Balance 7/1/2012</u>	<u>Additions</u>	<u>Transfer</u>	<u>Balance 6/30/2013</u>
Governmental activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 196,431	\$	\$	\$ 196,431
Construction in progress				-
Total capital assets not being depreciated	<u>196,431</u>			<u>196,431</u>
Land improvements	2,189,895			2,189,895
Building and building improvements	26,789,286	101,335		26,890,621
Buses	2,167,881			2,167,881
Furniture and equipment	7,107,900	69,267		7,177,167
Totals at historical cost	<u>38,254,962</u>	<u>170,602</u>		<u>38,425,564</u>
Less accumulated depreciation for :				
Land improvements	(1,813,999)	(40,197)		(1,854,196)
Building and improvements	(11,538,540)	(1,043,279)		(12,581,819)
Buses	(1,765,335)	(118,190)		(1,883,525)
Furniture and Equipment	(6,315,624)	(145,465)		(6,461,089)
Total accumulated depreciation	<u>(21,433,498)</u>	<u>(1,347,131)</u>		<u>(22,780,629)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>16,821,464</u>	<u>(1,176,529)</u>		<u>15,644,935</u>
Government activities capital assets, net	<u>\$ 17,017,895</u>	<u>\$ (1,176,529)</u>	<u>\$</u>	<u>\$ 15,841,366</u>
	To A-1			To A-1
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 238,900	\$ 3,500	\$	\$ 242,400
Less accumulated depreciation for :				
Equipment	(203,176)	(1,950)		(205,126)
Business-type activities capital assets, net	<u>\$ 35,724</u>	<u>\$ 1,550</u>	<u>\$</u>	<u>\$ 37,274</u>

* Depreciation expense was charged to governmental functions as follows:

Instructional	\$ 39,396
Administration	1,355
Unallocated Depreciation	1,306,380
Total depreciation expense	<u>\$ 1,347,131</u>

**PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year	Long-term Portion
Governmental Activities:						
Bonds payable:						
NJEDA	\$ 68,648	\$	\$ (68,648)	\$ -	\$	\$ -
General obligation debt	7,421,000		(510,000)	6,911,000	530,000	6,381,000
Total bonds payable	7,489,648		(578,648)	6,911,000	530,000	6,381,000
Other Liabilities:						
Obligations under capital lease	2,494,021	234,347	(271,728)	2,456,640	609,924	1,846,716
Early Retirement Bonds						
Compensated absences payable	793,003	31,903		824,906	41,372	783,534
Total liabilities	\$ 10,776,672	\$ 266,250	\$ (850,376)	\$ 10,192,546	\$ 1,181,296	\$ 9,011,250
Business-Type Activities:						
Compensated absences payable	\$ 436	\$ 131	\$	\$ 567	\$	\$

A. Bonds Payable - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. On May 21, 2009 the Board of Education Advance-Refunded the 1999 Bond Issue in the amount of \$4,850,000 in refunding bonds at various interest rates per redemption batch, from 3% to 4.25 %. The balance of these bonds is \$3,420,000 as of June 30, 2014.

The District was awarded state grant funding for various capital projects for renovations and improvements to the Olivet elementary school, Middle school and A. P. Schalick High School, of which a bond referendum was held on September 29, 2009 to seek voter approval for the District's matching share of \$1,856,000. Voter approval was achieved and accordingly, bonds were issued with interest rates ranging from 3.5% to 4%. The balance of these bonds is \$1,706,000, as of June 30, 2014.

The cost for all the projects is an amount not to exceed \$3,995,653, which includes state funding of \$2,139,653 under the N.J. Educational Facilities Construction and Finance Act.

In the 2004-2005 year, Bonds were issued in the amount of \$2,064,000 as part of an NJEDA Project. On February 25, 2013, the District authorized refunding its outstanding series 2005 bonds, with the exception of \$80,000 that were not callable and will be redeemed in the normal course. The proceeds of the refunding bonds was used to advance refund and redeem all of the School District's outstanding callable School Bonds, Series 2005, maturing on March 1, 2015 through 2025 and pay certain costs and expenses incidental to the issuance and delivery of the Refunding Bonds. The amount of the Refunding Bonds is \$1,805,000, dated March 20, 2013.

During the 2013-2014 year, \$1,729,000 of these bonds were refunded, with a balance remaining of \$80,000 paid off in 2013-14.

**PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6. LONG-TERM DEBT (CONT'D)

NJEDA Safe Program and Small Project Loan bonds were issued on August 18, 1993 in the amount of \$998,930. The balance of \$68,648 in these bonds was paid off during 2013-14.

B. Serial Bonds Payable- Principal and interest due on bonds outstanding is as follows:

Year ending June 30,	Principal	Interest	Total
2015	\$ 530,000	\$ 250,628	\$ 780,628
2016	550,000	235,428	785,428
2017	560,000	218,028	778,028
2018	580,000	196,628	776,628
2019	595,000	172,928	767,928
2020	605,000	148,753	753,753
2021	640,000	125,496	765,496
2022	655,000	101,009	756,009
2023	675,000	75,753	750,753
2024	730,000	49,809	779,809
2025	410,000	29,240	439,240
2026	185,000	15,240	200,240
2027	196,000	7,836	203,836
	<u>\$ 6,911,000</u>	<u>\$ 1,626,776</u>	<u>\$ 8,537,776</u>

C. Capital Leases - The District is leasing Buses, Computers, Kitchen Renovations, Smartboards, a Truck, an Energy Retrofit, a New Roof and various other items under capital leases. This includes two new leases for the acquisition of Chromebooks and Other Teaching Materials, during the 2013-14 fiscal year costing \$237,347. In accordance with GASB Statement No. 65, the associated debt issue costs were expensed on the Statement of Activities. The following is a schedule of the future minimum lease payments under these capital leases at June 30, 2014.

Year ending June 30,	Principal	Interest	Total
2015	\$ 609,923	\$ 75,406	\$ 685,329
2016	526,948	49,560	576,508
2017	461,145	35,081	496,226
2018	473,860	22,365	496,225
2019	384,764	10,581	395,345
	<u>\$ 2,456,640</u>	<u>\$ 192,993</u>	<u>\$ 2,649,633</u>

D. Bonds Authorized but Not Issued - As of June 30, 2014 the District had no authorized but not issued bonds.

**PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 7. MAINTENANCE RESERVE

A Maintenance Reserve may be established by New Jersey school districts for the accumulation of funds for use to fund certain expenditures in the operating budget. There was no balance in the maintenance reserve at June 30, 2014.

NOTE 8. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and administered by the New Jersey Division of Pension and Benefits. According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained from the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit plan which was established as of January 1, 1955. The PERS provides retirement, death, disability and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

Public Employees' Retirement System (Cont'd) - The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2012, however, in accordance with Chapter 78, P.L. 2012, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007.

The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. The School District is billed annually for its normal contribution plus any accrued liability.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of

**PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 8. PENSION PLANS (CONT'D)

service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation – P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operate and to the benefit provisions of those systems.

The legislation's provisions impacting employee pension and health benefits include:

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members) decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the TPAF and PERS active member rates from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both

**PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 8. PENSION PLANS (CONT'D)

TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/14	\$ 330,166	100%	\$ 330,166
6/30/13	395,195	100	395,195
6/30/12	388,310	100	388,310

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/14	\$ 1,237,757	100%	\$ 0
6/30/13	1,558,105	100	0
6/30/12	1,103,504	100	0

During the fiscal year ended June 30, 2014 the State of New Jersey contributed \$468,914 to the TPAF for pension contributions and post-retirement benefits of \$768,843 on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$837,615 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

NOTE 9. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators during the year ended June 30, 2014 were Copeland, Lincoln, and ING.

**PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 10. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c 62. Funding of post retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

NOTE 11. COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve month are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School district employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may be accumulated and carried forward by certain employees. Benefits paid in any future year will be calculated according to formulas outlined in the school districts' agreements with the various employee unions and included in the current year's budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2014, the estimated liability for compensated absences in the Governmental Activities was \$824,906 and \$567 for Business – Type Activities.

NOTE 12. TAX ANTICIPATION LOAN

As a result of the delay in the last two state aid revenue receipts, a loan was taken out in the amount of \$1,266,741 and paid off in July, 2014, with interest expense reimbursed from the state.

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2014:

**PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 662,043	\$ 71,613
Special Revenue Fund		104,462
Capital Projects Fund		540,116
Enterprise Fund	71,613	3,754
Internal Service Funds		13,701
Student Activity Fund	4,500	
Scholarship Fund		4,500
Payroll Fund		10
Total	\$ <u>738,156</u>	\$ <u>738,156</u>

NOTE 14. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district has chosen to purchase insurance to transfer risk to outside parties.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Percentage Method". Under this plan, the District is required to pay the New Jersey Unemployment Trust Fund based on a percentage of wages up to the statutory limit. The amount computed is payable on a quarterly basis.

The following is a summary of District contributions, employee contributions, payments to the State and the ending balance of the District's expendable trust fund for the current and prior years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013-2014	\$ 50,600	\$ 51,859	\$ 102,459	\$ 0
2012-2013	40,945	39,478	80,423	0
2011-2012	48,029	46,308	94,337	0

NOTE 15. LITIGATION

The District is from time to time involved in claims and lawsuits incidental to its operations. Per confirmation by the District's legal counsel, there are no pending litigations, claims, assessments of contingent liability against the District.

NOTE 16. RECEIVABLES

Receivables at June 30, 2014 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

**PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

Receivables:	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Internal Service Fund
Intergovernmental \$	168,525	\$ 144,459	\$ 569,280	\$ 66,357	\$ 66,481
Other	39,727			15,960	
Totals	\$ 208,252	\$ 144,459	\$ 569,280	\$ 82,317	\$ 66,481

NOTE 17. FUND BALANCE APPROPRIATED

General Fund - Of the (\$452,129) deficit in General Fund balance at June 30, 2014, \$155,349 is assigned for encumbrances; \$0 is restricted as excess surplus in accordance with *N.J.S.A.* 118A:7F-7; \$2,721 has been restricted in the Capital Reserve Account; \$200,000 has been assigned, appropriated and included as anticipated revenue for the year ending June 30, 2015 and the net result is a deficit of (\$810,199) in unassigned and unrestricted fund balance.

NOTE 18. CALCULATION OF EXCESS SURPLUS

In accordance with *N.J.S.A.* 18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the N J School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There is no excess fund balance at June 30, 2014, which is required to be appropriated in the 2014-15 or 2015-16 budgets.

NOTE 19. DEFICIT FUND BALANCES

The District has a deficit fund balance of (\$452,129) in the General Fund and (6,930) in the Special Revenue Fund as of June 30, 2014 as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable.

Due to the timing difference of recording the last state aid payment, the Special Revenue Fund does not alone indicate that the district is facing financial difficulties. Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP General Fund statements of \$452,129 is less than the last two state payments. The District deficit in the GAAP Special Revenue fund statement of \$6,930 is equal to the last two state aid payments.

**PITTSBORO TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 20. OPERATING LEASES

The District has operating lease commitments at June 30, 2014 for the Elmer School Building with contents and copiers. The minimum lease payments are as follows:

2015 \$ 11,484

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 9,003,134	\$	\$ 9,003,134	\$ 9,003,134	\$
Tuition - Other LEA's	3,112,565		3,112,565	3,133,283	20,718
Tuition - Individuals	51,680		51,680	35,003	(16,677)
Interest Earned on Deposits				6,034	6,034
Interest Earned on Capital Reserve Funds	10		10	10	
Miscellaneous	255,689		255,689	168,728	(86,961)
Total Local Sources	12,423,078		12,423,078	12,346,192	(76,886)
State Sources:					
Equalization Aid	10,430,292		10,430,292	10,430,292	
Categorical Transportation Aid	729,154		729,154	729,154	
Special Education Categorical Aid	837,197		837,197	837,197	
Categorical Security Aid	228,815		228,815	228,815	
Adjustment Aid	12,519		12,519	12,519	
School Choice Aid	1,171,078		1,171,078	1,171,078	
Other State Aids:					
Extraordinary Aid				15,514	15,514
Non-Public Transportation Aid				11,170	11,170
TPAF Pension (On-Behalf - Non-Budgeted)				468,914	468,914
TPAF Post Retirement-Medical (On-Behalf - Non-Budgeted)				768,843	768,843
TPAF Social Security (Reimbursed - Non-Budgeted)				837,615	837,615
Total State Sources	13,409,055		13,409,055	15,511,111	2,102,056
Federal Sources:					
Medicaid Program - SEMI	29,623		29,623	14,214	(15,409)
Total Federal Sources	29,623		29,623	14,214	(15,409)
Total Revenues	\$ 25,861,756	\$	\$ 25,861,756	\$ 27,871,517	\$ 2,009,761
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 353,840	\$ 95,230	\$ 449,070	\$ 449,070	\$
Grades 1-5 - Salaries of Teachers	2,040,450	(182,280)	1,858,170	1,857,525	645
Grades 6-8 - Salaries of Teachers	1,428,476	46,846	1,475,322	1,475,318	4
Grades 9-12 - Salaries of Teachers	2,375,698	24,634	2,400,332	2,400,321	11
Regular Programs - Home Instruction:					
Salaries of Teachers	10,625	21,555	32,180	30,771	1,409
Purchased Professional-Educational Services	22,700	(5,545)	17,155	16,940	215
Other Purchased Services (400-500 series)	3,000	(3,000)			
Purchased Professional-Educational Services	174,785	83,451	258,236	258,096	140
Purchased Technical Services	53,359	(2,050)	51,309	47,956	3,353
Other Purchased Services (400-500 series)	249,637	53,571	303,208	298,454	4,754
General Supplies	397,207	(74,899)	322,308	316,430	5,878
Textbooks	8,950	29,700	38,650	36,593	2,057
Other Objects	6,255	(5,600)	655	617	38
TOTAL REGULAR PROGRAMS - INSTRUCTION	7,124,982	81,613	7,206,595	7,188,091	18,504
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
General Supplies					
Total Learning and/or Language Disabilities					

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Behavioral Disabilities:					
Salaries of Teachers	\$ 178,140	\$ 986	\$ 179,126	\$ 178,391	\$ 735
Purchased Professional-Educational Services	50,274	(6,708)	43,566	43,415	151
General Supplies	5,152	322	5,474	3,235	2,239
Other Objects	3,705		3,705	233	3,472
Total Behavioral Disabilities	237,271	(5,400)	231,871	225,274	6,597
Multiple Disabilities:					
Salaries of Teachers	249,695	61,199	310,894	310,886	8
Other Salaries for Instruction		7,543	7,543	7,543	
Purchased Professional Educational Services	114,286	(7,898)	106,388	105,948	440
General Supplies	5,000		5,000	3,283	1,717
Other Objects	3,350		3,350	907	2,443
Total Multiple Disabilities	372,331	60,844	433,175	428,567	4,608
Resource Room/Resource Center:					
Salaries of Teachers	1,043,420	(21,560)	1,021,860	1,021,855	5
Purchased Professional-Educational Services	331,391	(1,574)	329,817	329,810	7
General Supplies	7,525		7,525	3,819	3,706
Other Objects	6,450		6,450	1,588	4,862
Total Resource Room/Resource Center	1,388,786	(23,134)	1,365,652	1,357,072	8,580
Autism					
Salaries of Teachers	61,500	4,620	66,120	66,114	6
Other Salaries for Instruction		4,824	4,824	4,824	
Purchased Professional Educational Services	25,160	(5,260)	19,900	19,892	8
General Supplies	1,000	500	1,500	1,166	334
Other Objects	2,500	(500)	2,000	29	1,971
Total Autism	90,160	4,184	94,344	92,025	2,319
Preschool Disabilities - Part-Time:					
Salaries of Teachers	82,150	(168)	81,982	81,824	158
Other Salaries for Instruction	3,240	1,225	4,465	4,465	
Purchased Professional-Educational Services	21,382	5,253	26,635	26,632	3
General Supplies	800	325	1,125	1,121	4
Other Objects	1,000	(755)	245		245
Total Preschool Disabilities - Part-Time	108,572	5,880	114,452	114,042	410
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,197,120	42,374	2,239,494	2,216,980	22,514
Basic Skills/Remedial - Instruction					
Salaries of Teachers	324,976	74,282	399,258	398,505	753
Other Salaries for Instruction	23,495	425	23,920	23,913	7
Purchased Professional Educational Services	4,320	(3,260)	1,060		1,060
General Supplies	3,000	166	3,166	428	2,738
Total Basic Skills/Remedial - Instruction	355,791	71,613	427,404	422,846	4,558
School-Spon. Co curricular Actvts. - Inst.					
Salaries	61,193	(13,000)	48,193	48,158	35
Purchased Services (300-500 series)	1,300	420	1,720	918	802
Supplies and Materials	3,050	(420)	2,630	605	2,025
Total School-Spon. Co-curricular Actvts. - Inst.	65,543	(13,000)	52,543	49,681	2,862
School-Spon. Co-curricular Athletics - Inst.					
Salaries	217,847	(13,900)	203,947	203,925	22
Purchased Services (300-500 series)	89,636	(9,584)	80,052	79,972	80
Supplies and Materials	49,810	3,873	53,683	52,317	1,366
Total School-Spon. Co-curricular Athletics - Inst.	357,293	(19,611)	337,682	336,214	1,468
TOTAL INSTRUCTION	10,100,729	162,989	10,263,718	10,213,812	49,906
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	82,475	(54,002)	28,473	25,762	2,711
Tuition to Other LEAs Within the State - Special	20,000	(18,980)	1,020		1,020
Tuition - County Voc School Districts - Regular	48,500	58,750	107,250	99,400	7,850
Tuition to CSSD & Regional Day Schools	158,405	100,900	259,305	244,795	14,510
Tuition to Private Schools for the Disabled - Within State	245,332	3,378	248,710	240,912	7,798
Tuition - State Facilities	31,365		31,365	31,365	
Tuition - Other		21,550	21,550	21,528	22
Total Undistributed Expenditures - Instruction:	586,077	111,596	697,673	663,762	33,911

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expend. - Attend. & Social Work					
Salaries	\$ 29,981	\$ 820	\$ 30,801	\$ 30,269	\$ 532
Other Purchased Services	200		200	96	104
Total Undistributed Expend. - Attend. & Social Work	30,181	820	31,001	30,365	636
Undist. Expend. - Health Services					
Salaries	325,495	7,720	333,215	333,101	114
Purchased Professional and Technical Services	12,700	637	13,337	12,834	503
Other Purchased Services (400-500 series)	500		500	207	293
Supplies and Materials	6,019	(630)	5,389	4,491	898
Total Undistributed Expenditures - Health Services	344,714	7,727	352,441	350,633	1,808
Undist. Expend. - Other Supp. Serv. Students - Rel. Serv.					
Salaries	220,542	(37,180)	183,362	182,970	392
Purchased Professional - Educational Services	107,857	76,470	184,327	184,123	204
Supplies and Materials	1,500	500	2,000	1,456	544
Other Objects	1,000	(500)	500		500
Total Undist. Exp. - Other Supp. Serv. Students - Rel. Serv.	330,899	39,290	370,189	368,549	1,640
Undist. Expend. - Other Supp. Serv. Stud - Extraord. Serv.					
Purchased Professional - Educational Services	195,772	87,654	283,426	283,408	18
Total Undist. Exp. - Other Sup. Serv. Stud - Extraord. Serv.	195,772	87,654	283,426	283,408	18
Undistributed Expend. - Guidance					
Salaries of Other Professional Staff	495,006	28,995	524,001	523,955	46
Salaries of Secretarial and Clerical Assistants	128,341	(7,195)	121,146	120,861	285
Purchased Professional- Educational Services	4,000	(3,900)	100	9	91
Other Purchased Prof. and Tech. Services	15,345	(1,610)	13,735	12,531	1,204
Other purchased Services (400-500 series)	10,600	147	10,747	10,634	113
Supplies and Materials	9,080	(4,000)	5,080	5,002	78
Other Objects	350		350	280	70
Total Undist. Expend.- Guidance	662,722	12,437	675,159	673,272	1,887
Undistributed Expend. - Child Study Teams					
Salaries of Other Professional Staff	458,515	(93,290)	365,225	365,223	2
Salaries of Secretarial and Clerical Assistants	101,142	(8,110)	93,032	92,992	40
Purchased Professional- Educational Services	2,754	26,320	29,074	28,895	179
Other Purchased Prof. and Tech. Services	19,550		19,550	19,427	123
Misc Pur Serv (400-500 series)	34,758	(250)	34,508	34,455	53
Supplies and Materials	15,260	11,730	26,990	26,867	123
Other Objects	1,800	1,710	3,510	3,503	7
Total Undist. Expend.- Child Study Teams	633,779	(61,890)	571,889	571,362	527
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	99,691		99,691	99,691	
Salaries of Other Professional Staff	241,285	6,772	248,057	248,021	36
Salaries of Secretarial and Clerical Assist.	68,736		68,736	66,900	1,836
Other Salaries	32,500	(3,972)	28,528	25,880	2,648
Other Purch Services (400-500)	22,375	(14,800)	7,575	6,954	621
Supplies and Materials	3,800	(1,550)	2,250	1,299	951
Other Objects	8,687		8,687	8,067	620
Total Undist. Expend. - Improvement of Inst. Serv.	477,074	(13,550)	463,524	456,812	6,712
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	217,320	(37)	217,283	217,283	
Purchased Professional and Technical Services	20,911	(822)	20,089	14,673	5,416
Other Purchased Services (400-500 series)	24,590	(296)	24,294	23,113	1,181
Supplies and Materials	56,250	3,050	59,300	54,854	4,446
Total Undist. Expend. - Edu. Media Serv./Sch. Library	319,071	1,895	320,966	309,923	11,043
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Services	7,500		7,500	6,275	1,225
Other Purchased Services (400-500 series)	2,000	(30)	1,970	165	1,805
Supplies and Materials	9,000	6,000	15,000	13,734	1,266
Other Objects	500		500		500
Total Undist. Expend. - Instructional Staff Training Serv.	19,000	5,970	24,970	20,174	4,796

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	\$ 282,672	\$ (6,610)	\$ 276,062	\$ 276,061	\$ 1
Legal Services	25,000	79,300	104,300	104,272	28
Audit Fees	25,500	1,680	27,180	27,180	
Architectural/Engineering Services	5,000	(5,000)			
Other Purchased Professional Services	15,000	3,640	18,640	18,631	9
Communications/Telephone	52,500	7,310	59,810	59,809	1
BOE Other Purchased Services	4,290	(190)	4,100	4,076	24
Other Purchased Services (400-500 series)	128,366	20,333	148,699	131,445	17,254
General Supplies	10,910	4,810	15,720	15,713	7
BOE In-House Training/Meeting Supplies	2,000	1,750	3,750	3,697	53
Miscellaneous Expenditures	3,390	(300)	3,090	3,073	17
BOE Membership Dues and Fees	12,100	(800)	11,300	11,281	19
Total Undist. Expend. - Supp. Serv. - General Admin.	566,728	105,923	672,651	655,238	17,413
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	784,566		784,566	784,485	81
Salaries of Secretarial and Clerical Assistants	322,652	(5,700)	316,952	316,947	5
Other Purchased Services (400-500 series)	26,550	(17,810)	8,740	8,685	55
Supplies and Materials	11,029	1,643	12,672	11,891	781
Other Objects	13,750	(2,970)	10,780	10,556	224
Total Undist. Expend. - Support Serv. - School Admin.	1,158,547	(24,837)	1,133,710	1,132,564	1,146
Undist. Expend. - Central Services					
Salaries	324,161	(20,110)	304,051	303,984	67
Purchased Professional Services	2,230	950	3,180	950	2,230
Purchased Technical Services	1,000		1,000		1,000
Miscellaneous Purchased Services (400-500 series)	20,065	175	20,240	19,655	585
Supplies and Materials	15,500	3,005	18,505	17,674	831
Interest on Current Loans	40,000	(23,500)	16,500	15,679	821
Interest on Lease Purchase Agreements	52,342	(40,469)	11,873	11,829	44
Other Objects	2,550	500	3,050	2,891	159
Total Undist. Expend. - Central Services	457,848	(79,449)	378,399	372,662	5,737
Undist. Expend. - Admin. Info. Technology					
Salaries	251,553	1,975	253,528	253,459	69
Purchased Technical Services	42,396	(150)	42,246	41,598	648
Other Purchased Services (400-500 series)	16,300	9,331	25,631	23,481	2,150
Supplies and Materials	18,000	16,607	34,607	33,459	1,148
Total Undist. Expend. - Admin. Info. Technology	328,249	27,763	356,012	351,997	4,015
Undist. Expend. - Req. Maint. for School Facilities					
Cleaning, Repair, and Maintenance Services	148,671	(110,013)	38,658	37,378	1,280
General Supplies	46,775	(13,326)	33,449	33,135	314
Total Undist. Expend. - Req. Maint. for School Facilities	195,446	(123,339)	72,107	70,513	1,594
Undist. Expend. - Custodial Services					
Salaries	786,695	9,443	796,138	792,322	3,816
Purchased Professional and Technical Services	50,505	47,189	97,694	95,905	1,789
Cleaning, Repair and Maintenance Services	459,745	42,666	502,411	450,894	51,517
Rental of Land, Building & Other than Lease Purchases	102,500		102,500	102,500	
Other Purchased Property Services	114,238	(100,646)	13,592	13,409	183
Insurance	66,111	9,311	75,422	75,422	
Miscellaneous Purchased Services	6,600		6,600	4,446	2,154
General Supplies	126,921	11,591	138,512	134,681	3,831
Energy (Natural Gas)	84,946	70,000	154,946	154,111	835
Energy (Electricity)	489,338	29,710	519,048	519,041	7
Other Objects		50	50	21	29
Total Undist. Expend. - Custodial Services	2,287,599	119,314	2,406,913	2,342,752	64,161

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	\$	\$ 10,485	\$ 10,485	\$ 10,485	\$
Cleaning, Repair and Maintenance Services	79,685	(7,840)	71,845	70,600	1,245
General Supplies	36,425	(21,780)	14,645	13,655	990
Total Undist. Expend. - Care and Upkeep of Grounds	116,110	(19,135)	96,975	94,740	2,235
Undist. Expend. - Security					
Salaries	85,153	(7,390)	77,763	77,611	152
Purchased Professional and Technical Services	400		400		400
Cleaning, Repair and Maintenance Services	2,300	(2,100)	200		200
General Supplies	8,250	(4,696)	3,554	3,285	269
Other Objects	500		500	298	202
Total Undist. Expend. - Security	96,603	(14,186)	82,417	81,194	1,223
Total Undist. Expend. - Oper. & Maint. Of Plant	2,695,758	(37,346)	2,658,412	2,589,199	69,213
Undist. Expend. - Student Transportation Serv.					
Sal. For Pup.Trans. (Bet. Home and School) - Regular	526,410	14,220	540,630	536,682	3,948
Sal. For Pup.Trans. (Bet. Home and School) - Special	290,606	(74,102)	216,504	215,968	536
Sal. For Pup. Trans. (Other than Bet. Home and School)	117,414	47,225	164,639	164,334	305
Management Fee - ESC & CTSA Transportation Programs		221	221	169	52
Other Purchased Professional and Technical Services	12,976	(9,646)	3,330	3,285	45
Cleaning, Repair and Maintenance Services	11,910	(6,500)	5,410	5,374	36
Contr Serv. - Aid in Lieu Payments - Nonpublic	66,300	(10,400)	55,900	54,136	1,764
Contr Serv. - Aid in Lieu Payments - Charter	1,768	(1,768)			
Lease Purchase Payments - School Buses	212,962	(212,962)			
Contr Serv (not Home/School) - Vendors	3,768	(3,768)			
Contr Serv (Spl. Ed. Students) - Joint Agreements	25,000	77,718	102,718	102,693	25
Misc. Purchased Serv. - Transportation	82,543	(13,900)	68,643	67,551	1,092
General Supplies	3,389	28,120	31,509	30,725	784
Transportation Supplies	428,750	(35,444)	393,306	391,750	1,556
Miscellaneous Expenditures	5,585	(5,000)	585	220	365
Total Undist. Expend. - Student Transportation Serv.	1,789,381	(205,986)	1,583,395	1,572,887	10,508
UNALLOCATED BENEFITS - Employee Benefits					
Social Security Contributions	320,240	(35,800)	284,440	283,464	976
Other Retirement Contributions - PERS	377,166	(38,000)	339,166	338,880	286
Unemployment Compensation	52,256	8,000	60,256	58,718	1,538
Workmen's Compensation	186,165	(3,900)	182,265	180,346	1,919
Health Benefits	3,432,864	518,142	3,951,006	3,950,949	57
Tuition Reimbursement	20,000	1,600	21,600	18,499	3,101
Other Employee Benefits	244,717	(70,459)	174,258	174,245	13
TOTAL UNALLOCATED BENEFITS	4,633,408	379,583	5,012,991	5,005,101	7,890
On-behalf TPAF Pension Contributions (non-budgeted)				468,914	(468,914)
On-behalf TPAF Post Retirement Contrib (non-budgeted)				768,843	(768,843)
Reimbursed TPAF Social Security Cont. (non-budgeted)				837,615	(837,615)
TOTAL ON-BEHALF CONTRIBUTIONS				2,075,372	(2,075,372)
TOTAL PERSONAL SERV. - EMPLOYEE BENEFITS	4,633,408	379,583	5,012,991	7,080,473	(2,067,482)
TOTAL UNDISTRIBUTED EXPENDITURES	15,229,208	357,600	15,586,808	17,483,280	(1,896,472)
TOTAL GENERAL CURRENT EXPENSE	25,329,937	520,589	25,850,526	27,697,092	(1,846,566)
CAPITAL OUTLAY					
Increase in Capital Reserve					
Interest Deposit to Capital Reserve	10		10		10
Equipment					
Special Education - Instruction:					
School-Sponsored and Other Instructional Programs		42,812	42,812	42,280	532
Undistributed Expenditures:					
Instruction	36,500	(36,500)			
Central Services		4,995	4,995	4,995	
Non-instructional Transportation Equipment		4,700	4,700	4,700	
Student Transportation School Buses Regular		22,024	22,024	21,992	32
Special Schools (All Programs)		144,635	144,635	96,635	48,000
Total Equipment	36,500	182,666	219,166	170,602	48,564

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Facilities Acquisition and Construction Services					
Lease Purchase Agreement - Principal	\$ 205,615	\$ (116,550)	\$ 89,065	\$ 89,052	\$ 13
Assessment for Debt Service on SDA Funding	53,260		53,260	53,260	
Total Facilities Acquisition and Construction Services	258,875	(116,550)	142,325	142,312	13
Assets Acquired Under Capital Leases (non-budgeted)					
TOTAL CAPITAL OUTLAY	295,385	66,116	361,501	312,914	48,587
Other Special Schools-Summer School					
Salaries of Teachers	50,500	2,888	53,388	50,500	2,888
Purchased Professional and Technical Services	49,670	5,642	55,312	44,599	10,713
Other Purchased Services		50	50	15	35
General Supplies	3,900	(1,000)	2,900	1,210	1,690
Total Other Special Schools-Instruction	104,070	7,580	111,650	96,324	15,326
Other Special Schools-Support Services					
Personal Services-Employee Benefits					
Total Other Special Schools-Support Services					
Total Other Special Schools	104,070	7,580	111,650	96,324	15,326
TOTAL EXPENDITURES	25,729,392	594,285	26,323,677	28,106,330	(1,782,653)
Excess (Deficiency) of Revenues Over (Under) Expenditures	132,364	(594,285)	(461,921)	(234,813)	227,108
Other Financing Sources:					
Operating Transfer (Out) and In:					
Transfer from Capital Projects Fund				1,506	1,506
Transfer of Funds to Charter School	(132,364)	34,604	(97,760)	(9,017)	88,743
Total Other Financing Sources:	(132,364)	34,604	(97,760)	(7,511)	90,249
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)		(559,681)	(559,681)	(242,324)	317,357
Fund Balance, July 1	1,050,006		1,050,006	1,050,006	
Fund Balance, June 30	\$ 1,050,006	\$ (559,681)	\$ 490,325	\$ 807,682	\$ 317,357
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 2,721	
Assigned Fund Balance:					
Encumbrances				155,349	
Designated for Subsequent Years Expenditures				200,000	
Unassigned Fund Balance				449,612	
				807,682	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(1,259,811)	
Fund Balance per Governmental Funds (GAAP)				\$ (452,129)	

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 69,300	\$	\$ 69,300	\$ 69,300	\$
Federal Sources	604,102	281,531	885,633	829,693	55,940
Total Revenues	673,402	281,531	954,933	898,993	55,940
EXPENDITURES:					
Instruction					
Salaries - Teachers	356,779	(30,982)	325,797	325,797	
Salaries - Other Instruction	10,550	(10,550)			
Tuition - Child Study Team	305,073	68,807	373,880	373,880	
Purchased Prof - Tech. Services		22,667	22,667	19,818	2,849
Other Purchased Services		300	300		300
Supplies and Materials	1,000	104,648	105,648	97,242	8,406
Other Objects		4,000	4,000		4,000
Total Instruction	673,402	158,890	832,292	816,737	15,555
Support Services					
Salaries - Teachers		3,175	3,175	1,175	2,000
Personal Services - Employee Benefits		51,497	51,497	43,489	8,008
Purchased Prof. - Tech. Services		9,232	9,232	232	9,000
Other Purchased Services		38,049	38,049	23,891	14,158
Supplies and Materials		20,688	20,688	13,469	7,219
Total Support Services		122,641	122,641	82,256	40,385
Facilities Acquisition and Construction Services:					
Non-instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	673,402	281,531	954,933	898,993	55,940
Other Financing Sources (Uses)					
Total Other Financing Sources (Uses)					
Total Outflows	673,402	281,531	954,933	898,993	55,940
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$

NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
BUDGET-TO-GAAP RECONCILIATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>Ref</u>	<u>General Fund</u>	<u>Ref</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 27,871,517	[C-2]	\$ 898,993
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				10,273
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		1,265,666		6,930
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(1,259,811)		(6,930)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 27,877,372</u>	[B-2]	<u>\$ 909,266</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 28,106,330	[C-2]	\$ 898,993
Differences - budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.				10,273
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 28,106,330</u>	[B-2]	<u>\$ 909,266</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

PITTSBORO TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	IDEA		Preschool	Sub-Total	Totals
	Part B	Pre K	Education	Per E-1(2)	2014
REVENUES:					
State Sources	\$	\$	\$ 69,300	\$	\$ 69,300
Federal Sources	373,880	9,268		446,545	829,693
Total Revenues	\$ 373,880	\$ 9,268	\$ 69,300	\$ 446,545	\$ 898,993
EXPENDITURES:					
Instruction:					
Salaries - Teachers	\$	\$	\$ 57,750	\$ 268,047	\$ 325,797
Tuition-Child Study Team	373,880				373,880
Purchased Prof - Tech Services		9,268	10,550		19,818
Supplies and Materials			1,000	96,242	97,242
Total Instruction	373,880	9,268	69,300	364,289	816,737
Support Services:					
Salaries - Teachers				1,175	1,175
Personal Services - Employee Benefits				43,489	43,489
Purchased Prof - Tech. Services				232	232
Other Purchased Services				23,891	23,891
Supplies and Materials				13,469	13,469
Total Support Services				82,256	82,256
Facilities Acquisition and Const. Serv.:					
Non-Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	\$ 373,880	\$ 9,268	\$ 69,300	\$ 446,545	\$ 898,993

PITTSBORO TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>NCLB Title I - Part A</u>			<u>NCLB Title II-A</u>			<u>Subtotal</u>
	<u>2013-14</u>	<u>2012-13</u>	<u>2012-13 Summer</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2012-13 Summer</u>	<u>2014</u>
REVENUES:							
State Sources							
Federal Sources	\$ 379,153	\$ 4,833	\$ 35,931	\$ 23,080	\$ 1,079	\$ 2,469	\$ 446,545
Other							
Total revenues	<u>\$ 379,153</u>	<u>\$ 4,833</u>	<u>\$ 35,931</u>	<u>\$ 23,080</u>	<u>\$ 1,079</u>	<u>\$ 2,469</u>	<u>\$ 446,545</u>
EXPENDITURES:							
Instruction:							
Salaries - Teachers	\$ 245,360		\$ 22,687	\$	\$	\$	\$ 268,047
Supplies and Materials	81,640	4,833	9,769				96,242
Total Instruction	<u>327,000</u>	<u>4,833</u>	<u>32,456</u>				<u>364,289</u>
Support Services:							
Salaries-Teachers				800		375	1,175
Purchased Professional - Tech. Services						232	232
Personal Services - Employee Benefits	41,663		1,736	61		29	43,489
Other Purchased Services	1,305			20,937	1,079	570	23,891
Supplies and Materials	9,185		1,739	1,282		1,263	13,469
Total Support Services	<u>52,153</u>		<u>3,475</u>	<u>23,080</u>	<u>1,079</u>	<u>2,469</u>	<u>82,256</u>
Facilities Acquisition and Const. Serv.:							
Non-Instructional Equipment							
Total Facilities Acquisition and Construction Services							
Total Expenditures	<u>\$ 379,153</u>	<u>\$ 4,833</u>	<u>\$ 35,931</u>	<u>\$ 23,080</u>	<u>\$ 1,079</u>	<u>\$ 2,469</u>	<u>\$ 446,545</u>

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 57,750	\$ 57,750	\$
Purchased Prof - Tech Services	10,550	10,550	
Supplies and Materials	1,000	1,000	
Total Instruction	<u>69,300</u>	<u>69,300</u>	
Support Services:			
Total Support Services			
Facilities Acquisition and Const. Services:			
Instructional Equipment			
Non-instructional Equipment			
Total Facilities Acquisition and Const. Services			
Contribution to Charter Schools			
Total Expenditures	<u>\$ 69,300</u>	<u>\$ 69,300</u>	<u>\$</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2013-14 Preschool Education Aid Allocation	\$ 69,300	(1)
Add: Actual ECPA Carryover (June 30, 2013)		(2)
Add: Budgeted Transfer from General Fund 2013-14		(3)
Total Preschool Education Aid Funds Available for 2012-13 Budget	69,300	(4)
Less: 2013-14 Budgeted Preschool Education Aid and Prior Year Budgeted (Carryover)	(69,300)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2014	-	(6)
Add: June 30, 2014 Unexpended Preschool Education Aid	-	(7)
Less: 2013-14 Commissioner-approved Transfer to the General Fund	-	(8)
2013-14 Carryover - Preschool Education Aid	\$ -	(9)
2013-14 Preschool Education Aid Carryover Budgeted for Preschool Programs 2014-15	\$ -	(10)

CAPITAL PROJECTS FUND DETAIL STATEMENT

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

EXHIBIT F-1

PITTSBORO TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

<u>Number</u>	<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Cancelled</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance 6/30/14</u>	<u>Memo Only</u>	
				<u>Prior Year</u>	<u>Current Year</u>		<u>Encumbrances</u>	<u>Available Balance</u>
2003-3	Arthur P. Schalick High School Conversion of Shop to Gym	\$ 210,086	\$ (7,183)	\$ 202,903	\$	\$	\$	\$
2003-4	Arthur P. Schalick High School Stage Lighting and Sound System	153,219	(7,949)	145,270				
2005-1	High School Renovations	2,967,000	(28,666)	2,938,334				
2005-2	Norma School Renovations	86,864	(3,982)	82,882				
2005-3	Olivet School Renovations	490,218	(7,464)	482,754				
2005-4	Middle School Roof Replacement	632,500	(33,640)	598,860				
2010-1	Various Renovations at Olivet School	3,496,413	(129,985)	3,351,795		14,633	14,633	
2010-2	Improvements to Middle School	218,750	(19,267)	199,483				
2010-3	Renovations at Schalick High School	281,250	(36,422)	193,196		51,632		51,632
2012-1	Schalick High School Roof	1,042,986	(82,022)	960,964				
		<u>\$ 9,579,286</u>	<u>\$ (356,580)</u>	<u>\$ 9,156,441</u>	<u>\$</u>	<u>\$ 66,265</u>	<u>\$ 14,633</u>	<u>\$ 51,632</u>

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2014

Revenues and Other Financing

Sources

Interest Earned	\$ 145
Miscellaneous Refund	1,361
Total Revenues	<u>1,506</u>

Expenditures and Other Financing

Uses

Other Professional and Technical Services	
Construction Services	
Total Expenditures	<u></u>

Excess (Deficiency) of Revenues Over (Under) Expenditures before Transfers

Cancellation of Unexpended Balances	
Transfer from General Fund	
Transfer to General Fund	(1,506)

Excess (Deficiency) of Revenues Over (Under) Expenditures

Fund Balance - Beginning	66,265
Fund Balance - Ending	<u>\$ 66,265</u>

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

Renovations to Schalick High School

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing				
Sources				
State Sources - EDA Grant	\$ 1,364,038	\$	\$ 1,364,038	\$ 1,364,038
Bond Proceeds & Transfers	1,574,296		1,574,296	1,574,296
Total Revenues	2,938,334		2,938,334	2,938,334
Expenditures and Other Financing				
Uses				
Other Professional and Technical Services	239,818		239,818	239,818
Construction Services	2,572,301		2,572,301	2,572,301
Other Objects	126,215		126,215	126,215
Total Expenditures	2,938,334		2,938,334	2,938,334
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$

Additional project information:

Project Number	4150-040-05-0ACQ
Grant Date	2/22/2005
Original Authorization Cost	\$2,967,000
Additional Authorized Cost	
Revised Authorized Cost	\$2,967,000
Percentage Decrease over Original	
Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	10/27/2004
Revised Target Completion Date	6/30/2007

PITTSGROVE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

Upgrade at Olivet Elementary School

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing				
Sources				
State Sources - EDA Grant	\$ 285,898	\$	\$ 285,898	\$ 285,898
Bond Proceeds & Transfers	196,856		196,856	196,856
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	482,754		482,754	482,754
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures and Other Financing				
Uses				
Other Professional and Technical Services	30,240		30,240	30,240
Construction Services	421,368		421,368	421,368
Other Objects	31,146		31,146	31,146
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	482,754		482,754	482,754
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$
	<hr/>	<hr/>	<hr/>	<hr/>

Additional project information:

Project Number	4150-060-05-0ACS
Grant Date	2/8/2005
Original Authorization Cost	\$483,000
Additional Authorized Cost	\$7,324
Revised Authorized Cost	\$490,324
Percentage Increase over Original Authorized Cost	1.52%
Percentage Completion	100%
Original Target Completion Date	10/27/2004
Revised Target Completion Date	6/30/2007

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

Roof Replacement at Middle School

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing				
Sources				
State Sources - EDA Grant	\$ 341,072	\$	\$ 341,072	\$ 341,072
Bond Proceeds & Transfers	257,788		257,788	257,788
Total Revenues	598,860		598,860	598,860
Expenditures and Other Financing				
Uses				
Other Professional and Technical Services	55,974		55,974	55,974
Construction Services	542,886		542,886	542,886
Total Expenditures	598,860		598,860	598,860
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$

Additional project information:

Project Number	4150-070-05-0ACT
Grant Date	2/8/2005
Original Authorization Cost	\$257,788
Additional Authorized Cost	N/A
Revised Authorized Cost	\$257,788
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	10/28/2004
Revised Target Completion Date	6/30/2007

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

Renovations at Norma Elementary School

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - EDA Grant	\$ 47,729	\$	\$ 47,729	\$ 47,729
Bond Proceeds & Transfers	35,153		35,153	35,153
Total Revenues	<u>82,882</u>		<u>82,882</u>	<u>82,882</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services	8,636		8,636	8,636
Construction Services	74,246		74,246	74,246
Total Expenditures	<u>82,882</u>		<u>82,882</u>	<u>82,882</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Additional Project Information:				
Project Number	4150-050-05-0ACR			
Grant Date	2/8/2005			
Original Authorization Cost	\$86,250			
Additional Authorized Cost	\$2,636			
Revised Authorized Cost	\$88,886			
Percentage Increase over Original Authorized Cost	3.06%			
Percentage Completion	100%			
Original Target Completion Date	10/28/2004			
Revised Target Completion Date	6/30/2007			

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

Various Renovations at Olivet Elementary School

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing				
Sources				
State Sources - EDA Grant	\$ 1,883,685	\$	\$ 1,883,685	\$ 1,883,685
Bond Proceeds & Transfers	1,482,743		1,482,743	1,482,743
Total Revenues	3,366,428		3,366,428	3,366,428
Expenditures and Other Financing				
Uses				
Other Professional and Technical Services	406,919		406,919	406,919
Construction Services	2,944,876		2,944,876	2,959,509
Total Expenditures	3,351,795		3,351,795	3,366,428
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 14,633	\$	\$ 14,633	\$

Additional project information:

Project Number	4150-060-09-1001-G02 PEC
Grant Date	3/20/2010
Original Authorization Cost	\$3,497,173
Additional Authorized Cost	\$0
Revised Authorized Cost	\$3,497,173
Percentage Increase over Original	
Authorized Cost	0.00%
Percentage Completion	100%
Original Target Completion Date	N/A
Revised Target Completion Date	6/30/2013

PITTSBORO TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

Improvements at Pittsboro Twp. Middle School

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing				
Sources				
State Sources - EDA Grant	\$ 106,716	\$	\$ 106,716	\$ 106,716
Bond Proceeds & Transfers	92,767		92,767	92,767
Total Revenues	199,483		199,483	199,483
Expenditures and Other Financing				
Uses				
Other Professional and Technical Services	1,985		1,985	1,985
Construction Services	197,498		197,498	197,498
Total Expenditures	199,483		199,483	199,483
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$

Additional project information:

Project Number	4150-070-09-1002-G02 PEC
Grant date	6/29/2010
Original Authorization Cost	\$218,670
Additional Authorized Cost	\$0
Revised Authorized Cost	\$218,670
Percentage Increase over Original	
Authorized Cost	0.00%
Percentage Completion	100%
Original Target Completion Date	N/A
Revised Target Completion Date	6/30/2013

PITTSBORO TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

Renovations at Shalick High School

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Bond Proceeds & Transfers	\$ 244,068	\$	\$ 244,068	\$ 244,068
Transfer from Capital Outlay	760		760	760
Total Revenues	244,828		244,828	244,828
Expenditures and Other Financing Uses				
Other Professional and Technical Services	26,931		26,931	26,931
Construction Services	166,265		166,265	217,897
Total Expenditures	193,196		193,196	244,828
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 51,632	\$	\$ 51,632	\$

Additional project information:

Project Number	4150-040-09-1000
Grant Date	3/20/10
Original Authorization Cost	\$281,250
Additional Authorized Cost	\$0
Revised Authorized Cost	\$281,250
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	69%
Original Target Completion Date	N/A
Revised Target Completion Date	6/30/2013

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

Roof Replacement at High School

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - EDA Grant	\$ 460,964	\$	\$ 460,964	\$ 460,964
Capital Lease	500,000		500,000	500,000
Total Revenues	960,964		960,964	960,964
Expenditures and Other Financing Uses				
Other Professional and Technical Services	75,284		75,284	75,188
Construction Services	885,680		885,680	885,776
Total Expenditures	960,964		960,964	960,964
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$

Additional project information:

Project Number	4150-040-10-1001
Grant Date	11/1/2011
Original Authorization Cost	\$542,986
Additional Authorized Cost	\$0
Revised Authorized Cost	\$542,986
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	6/30/2012
Revised Target Completion Date	6/30/2013

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all schools within the school district.

School Age Child Care Fund – This fund provides for the operation of school child supervision.

Internal service funds – This fund is used to serve organizational units within the district or to serve other governmental units.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5
AND B-6.**

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2014
(with comparative totals for June 30, 2013)

	Food Service Enterprise Fund	(SACC) School Age Child Care Enterprise Fund	<u>Totals</u>	
			<u>2014</u>	<u>2013</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 52,033	\$ 50,557	\$ 102,590	\$ 71,209
Accounts Receivable:				
State	1,891		1,891	1,820
Federal	64,466		64,466	56,180
Other	5,927	10,033	15,960	16,555
Interfund	71,613		71,613	72,296
Inventories	2,854		2,854	5,338
Total current assets	<u>198,784</u>	<u>60,590</u>	<u>259,374</u>	<u>223,398</u>
Fixed Assets:				
Equipment	242,400		242,400	238,900
Accumulated Depreciation	(205,126)		(205,126)	(203,176)
Total Fixed Assets	<u>37,274</u>	<u></u>	<u>37,274</u>	<u>35,724</u>
Total Assets	<u><u>\$ 236,058</u></u>	<u><u>\$ 60,590</u></u>	<u><u>\$ 296,648</u></u>	<u><u>\$ 259,122</u></u>
LIABILITIES				
Current Liabilities:				
Interfund Payable	\$	\$ 3,754	\$ 3,754	\$
Compensated Absences		567	567	436
Accounts Payable	128,826	2,023	130,849	195,440
Unearned Revenue	3,898	3,279	7,177	7,412
Total Current Liabilities	<u>132,724</u>	<u>9,623</u>	<u>142,347</u>	<u>203,288</u>
NET POSITION				
Investment in Capital Assets net of				
Related Debt	37,274		37,274	35,724
Unrestricted	66,060	50,967	117,027	20,110
Total Net Position	<u>103,334</u>	<u>50,967</u>	<u>154,301</u>	<u>55,834</u>
Total Liabilities and Net Position	<u><u>\$ 236,058</u></u>	<u><u>\$ 60,590</u></u>	<u><u>\$ 296,648</u></u>	<u><u>\$ 259,122</u></u>

PITTSBORO TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(with comparative totals for June 30, 2013)

	Food Service Enterprise Fund	School Age Child Care Enterprise Fund	Totals 2014	2013
OPERATING REVENUES:				
Local Sources:				
Daily Sales-Reimbursable Programs:				
School Lunch Program	\$ 239,715	\$	\$ 239,715	\$ 235,391
Total Daily Sales-Reimbursable Programs	239,715		239,715	235,391
Daily Sales Non-reimbursable Programs	108,081		108,081	91,487
Special Functions	35,525		35,525	47,740
Service Charges		144,876	144,876	134,954
Miscellaneous	5,455		5,455	10,183
Total Operating Revenue	388,776	144,876	533,652	519,755
OPERATING EXPENSES:				
Salaries	634	96,371	97,005	131,656
Employee Benefits	48	8,033	8,081	9,928
Other Costs	20,062	9,615	29,677	44,993
Sodexo Costs:				
Salaries	205,952		205,952	218,735
Employee Benefits	42,756		42,756	53,330
Supplies and Materials	46,050		46,050	55,228
Management Fees	58,370		58,370	60,397
Insurance	12,852		12,852	12,951
Other Costs	5,987		5,987	10,238
Cost of Sales	291,371		291,371	291,870
Depreciation	1,950		1,950	1,055
Total Operating Expenses	686,032	114,019	800,051	890,381
Operating Loss	(297,256)	30,857	(266,399)	(370,626)
Non-operating Revenues:				
State Sources:				
State School Lunch Program	7,623		7,623	7,484
Federal Sources:				
National School Breakfast Program	57,961		57,961	47,288
National School Lunch Program	247,662		247,662	223,905
Special Milk Program	1,119		1,119	1,791
Food Distribution Program	50,309		50,309	48,739
Interest Revenue	192		192	187
Total Non-operating Revenues	364,866		364,866	329,394
Net Income Before Operating Transfers	67,610	30,857	98,467	(41,232)
Operating Transfer - General Fund				36,557
Net Income After Operating Transfers	67,610	30,857	98,467	(4,675)
Total Net Position-Beginning	35,724	20,110	55,834	60,509
Total Net Position-Ending	\$ 103,334	\$ 50,967	\$ 154,301	\$ 55,834

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(with comparative totals for June 30, 2013)

	Food Service Enterprise Fund	School Age Child Care Enterprise Fund	Totals	
			2014	2013
Cash flows from operating activities:				
Operating income (loss)	\$ (297,256)	\$ 30,857	\$ (266,399)	\$ (370,626)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities				
Depreciation	1,950		1,950	1,055
Federal commodities	50,309		50,309	48,739
Change in assets and liabilities:				
(Increase)/Decrease in accounts receivable	(8,064)	302	(7,762)	35,945
(Increase)/Decrease in inventory	2,484		2,484	6,147
(Increase)/Decrease in interfund receivable	683		683	(12,366)
(Increase)/Decrease in fixed assets	(3,500)		(3,500)	
Increase/(Decrease) in interfund payable		3,754	3,754	(14,230)
Increase/(Decrease) in accounts payable	(64,611)	20	(64,591)	8,547
Increase/(Decrease) in compensated absences		131	131	(1,459)
Increase/(Decrease) in unearned revenue	(1,779)	1,544	(235)	(8,569)
Net cash used by operating activities	(319,784)	36,608	(283,176)	(306,817)
Cash flows from Non-capital financing activities:				
Cash Received From General Fund				36,557
Cash received from state and federal reimbursements/sources	314,365		314,365	280,468
Total Cash Provided by Non-Capital Financing Activities	314,365		314,365	317,025
Cash Flows From Capital and Related Financing Activities:				
Acquisition of Capital Assets				(16,734)
Net Increase Before Investing Activities	(5,419)		31,189	(6,526)
Cash flows from investing activities:				
Interest on investments	192		192	192
Net cash provided by investing activities	192		192	192
Net increase/(decrease) in cash and cash equivalents	(5,227)	36,608	31,381	(6,334)
Cash and cash equivalents, July 1	57,260	13,949	71,209	77,548
Cash and cash equivalents, June 30	\$ 52,033	\$ 50,557	\$ 102,590	\$ 71,214

EXHIBIT G-4

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2014
(with comparative totals for June 30, 2013)

	Business Services Internal Service Fund	Internet Access Internal Service Fund	Distance Learning Hub Service Fund	Transportation Jointures Internal Service Fund	Transportation Maintenance Internal Service Fund	Paper Services Internal Service Fund	Art Academy School	Custodial Services Community Service Fund	Totals	
									2014	2013
ASSETS										
Cash	\$ 15,797	\$ 39,283	\$ 303,667	\$	\$	\$ 260,028	\$ 144,522	\$ 162,119	\$ 925,416	\$ 812,840
Accounts Receivable										
Intergovernmental		19,475	4,235	13,701		19,587	9,483		66,481	372,207
Inventory						52,978			52,978	132,263
Fixed Assets (Net)							8,623		8,623	11,497
Total Assets	\$ 15,797	\$ 58,758	\$ 307,902	\$ 13,701	\$	\$ 332,593	\$ 162,628	\$ 162,119	\$ 1,053,498	\$ 1,328,807
LIABILITIES AND RESERVES										
Liabilities:										
Accounts Payable	\$	\$	\$ 14,820	\$	\$	\$ 525	\$	\$ 644	\$ 15,989	\$ 426,187
Interfund Payable				13,701					13,701	101,365
Other Current Liabilities			231,591						231,591	13,858
Unearned Revenue	12,607	22,443	40,368			332,068	162,628	161,475	731,589	740,676
	12,607	22,443	286,779	13,701		332,593	162,628	162,119	992,870	1,282,086
Reserves:										
Reserve for encumbrances	3,190	36,315	21,123						60,628	46,721
Total Liabilities and Reserves	\$ 15,797	\$ 58,758	\$ 307,902	\$ 13,701	\$	\$ 332,593	\$ 162,628	\$ 162,119	\$ 1,053,498	\$ 1,328,807

PITTSBORO TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(with comparative totals for June 30, 2013)

	Business Services Internal Service Fund	Internet Access Service Fund	Distance Learning Hub Service Fund	Transportation Jointures Internal Service Fund	Transportation Maintenance Service Fund	Paper Services Internal Service Fund	Art Academy Fund	Custodial Services Internal Service Fund	Totals	
									2014	2013
REVENUE:										
Service Charges	\$ 72,194	\$ 39,750	\$ 257,414	\$ 263,123	\$ 5,255	\$ 77,321	\$ 191,059	\$ 53,300	\$ 959,416	\$ 2,076,727
Total	72,194	39,750	257,414	263,123	5,255	77,321	191,059	53,300	959,416	2,076,727
EXPENDITURES:										
Salaries	41,035			260,474	4,881	3,007	105,914	21,226	436,537	364,324
Employee Benefits	3,274			2,649	374	230		1,624	8,151	19,882
Equipment										14,371
Purchased Professional/Technical Services	3,190		239,454						242,644	268,971
Other Purchased Services	35,000					1,375			36,375	14,965
Depreciation							2,874		2,874	2,874
Supplies and Materials		36,315				57,658			93,973	120,215
Miscellaneous Other Costs	1,355					3		409	1,767	5,823
Total Expenditures	83,854	36,315	239,454	263,123	5,255	62,273	108,788	23,259	822,321	811,425
Excess of Revenue over Expenditures	(11,660)	3,435	17,960			15,048	82,271	30,041	137,095	184,302
Non-operating Revenues:										
Transfer to Unearned Revenue	11,660	32,880	(40,368)			159,577	(82,271)	(33,074)	48,404	(13,723)
Cancellation of Accounts Receivable						(68,540)			(68,540)	(61,129)
Cancellation of Accounts Payable								3,033	3,033	
Inventory Adjustment						(54,085)			(54,085)	
Transfer to General Fund						(52,000)			(52,000)	(100,383)
Reserve for Encumbrance-Beginning	3,190		43,531						46,721	37,654
Reserve for Encumbrance-Ending	\$ 3,190	\$ 36,315	\$ 21,123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,628	\$ 46,721

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(with comparative totals for June 30, 2013)

	Business Services Internal Service Fund	Internet Access Internal Service Fund	Distance Learning Service Fund	Transportation Jointures Internal Service Fund	Transportation Maintenance Service Fund	Paper Services Internal Service Fund	Art Academy Fund	Custodial Services Internal Service Fund	Totals	
									2014	2013
Cash Flows from Operations:										
Cash Received from Users	\$ 72,194	\$ 39,750	\$ 257,414	\$ 263,123	\$ 5,255	\$ 77,321	\$ 191,059	\$ 53,300	\$ 959,416	\$ 2,076,727
Interest Income										
Interfund Payments										
Cash Paid to Suppliers	84,012	1,650	99,303	252,835	4,367	280,816	101,067	22,790	846,840	2,103,959
Net Cash (Used) Provided from Operations	(11,818)	38,100	158,111	10,288	888	(203,495)	89,992	30,510	112,576	(27,232)
Cash, July 1	27,615	1,183	145,556	(10,288)	(888)	463,523	54,530	131,609	812,840	840,072
Cash, June 30	\$ 15,797	\$ 39,283	\$ 303,667	\$ -	\$ -	\$ 260,028	\$ 144,522	\$ 162,119	\$ 925,416	\$ 812,840

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

EXHIBIT H-1

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014
 (with comparative totals for June 30, 2013)

	Non- Expendable Trust Scholarship	Agency Student Activity	Payroll	Totals	
				2014	2013
ASSETS:					
Cash and Cash Equivalents	\$ 97,788	\$ 133,185	\$ 15,103	\$ 246,076	\$ 269,842
Due from Scholarship		4,500		4,500	2,250
Total Assets	<u>\$ 97,788</u>	<u>\$ 137,685</u>	<u>\$ 15,103</u>	<u>\$ 250,576</u>	<u>\$ 272,092</u>
LIABILITIES, RESERVES AND NET POSITION:					
Liabilities:					
Accounts Payable	\$	\$ 6,611	\$	\$ 6,611	\$ 7,210
Due to Student Activity Fund	4,500			4,500	2,250
Due to Student Groups		131,074		131,074	156,840
Payroll Deductions and Withholdings			15,093	15,093	14,780
Due to General Fund			10	10	32
Total Liabilities	<u>4,500</u>	<u>137,685</u>	<u>15,103</u>	<u>157,288</u>	<u>181,112</u>
Net Position:					
Held in Trust for Unemployment Claims and Other Purposes	93,288			93,288	90,980
Total Net Position	<u>93,288</u>			<u>93,288</u>	<u>90,980</u>
Total Liabilities, Reserves and Net Position	<u>\$ 97,788</u>	<u>\$ 137,685</u>	<u>\$ 15,103</u>	<u>\$ 250,576</u>	<u>\$ 272,092</u>

EXHIBIT H-2

PITTSBGROVE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
OPERATING REVENUE:		
Local Sources:		
Contributions	\$ 4,269	\$ 1,675
Interest on Investments	289	303
Total Operating Revenues	<u>4,558</u>	<u>1,978</u>
OPERATING EXPENSES:		
Scholarship Expenditures	<u>2,250</u>	<u>2,250</u>
Total Operating Expenses	<u>2,250</u>	<u>2,250</u>
Operating Income (Loss)	<u>2,308</u>	<u>(272)</u>
Net Income (Loss)	<u>2,308</u>	<u>(272)</u>
Net Position, July 1	<u>90,980</u>	<u>91,252</u>
Net Position, June 30	<u>\$ 93,288</u>	<u>\$ 90,980</u>

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Receivable</u> <u>June 30,</u> <u>2014</u>	<u>Accounts</u> <u>Payable</u> <u>June 30,</u> <u>2014</u>	<u>Balance</u> <u>June 30,</u> <u>2014</u>
ELEMENTARY SCHOOLS:						
Middle	\$ 44,140	\$ 64,789	\$ 93,387	\$	\$	15,542
Norma	11,728	1,539	1,273			11,994
Olivet	15,615	8,305	8,041			15,879
Total Elementary Schools	<u>71,483</u>	<u>74,633</u>	<u>102,701</u>			<u>43,415</u>
SENIOR HIGH SCHOOL:						
Arthur P. Schalick - Field Trips	10	2,867	2,866			11
Arthur P. Schalick	85,213	240,324	233,603	2,250	6,611	87,573
Total Senior High Schools	<u>85,223</u>	<u>243,191</u>	<u>236,469</u>	<u>2,250</u>	<u>6,611</u>	<u>87,584</u>
OTHER STUDENT ACTIVITIES:						
Arthur P. Schalick High School Athletic Fund	134	87,796	87,855			75
Total Other Student Activities:	<u>134</u>	<u>87,796</u>	<u>87,855</u>			<u>75</u>
Total All Schools	<u>\$ 156,840</u>	<u>\$ 405,620</u>	<u>\$ 427,025</u>	<u>\$ 2,250</u>	<u>\$ 6,611</u>	<u>\$ 131,074</u>

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
ASSETS:				
Cash and Cash Equivalents	\$ 14,812	\$ 17,443,199	\$ 17,442,908	\$ 15,103
Total Assets	<u>\$ 14,812</u>	<u>\$ 17,443,199</u>	<u>\$ 17,442,908</u>	<u>\$ 15,103</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 14,780	\$ 17,443,189	\$ 17,442,876	\$ 15,093
Due to Current	32	10	32	10
Total Liabilities	<u>\$ 14,812</u>	<u>\$ 17,443,199</u>	<u>\$ 17,442,876</u>	<u>\$ 15,103</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

EXHIBIT I-1
(1)

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2014

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2013</u>	<u>Issued</u>	<u>Retired</u>	<u>Refunded</u>	<u>Balance June 30, 2014</u>
			<u>Date</u>	<u>Amount</u>						
Refunding Bonds of 2009 to refund Series 1999 above	5/1/09	\$ 4,850,000	11/1/14	\$ 345,000	3.00%	\$ 3,770,000	\$	\$ 350,000	\$	\$ 3,420,000
			11/1/15	340,000	3.00%					
			11/1/16	335,000	4.00%					
			11/1/17-19	345,000	5.00%					
			11/1/20-21	345,000	4.25%					
			11/01/22	340,000	4.25%					
			11/01/23	335,000	4.25%					
Various improvements to Elementary Schools, Middle School and High School and Acquisition of Furniture, Fixtures and Improvements		\$ 2,064,000		\$		\$ 80,000	\$	\$ 80,000	\$	-

EXHIBIT I-1
(2)

PITTSBORO TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2014

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2013</u>	<u>Issued</u>	<u>Retired</u>	<u>Refunded</u>	<u>Balance June 30, 2014</u>
2009 Various Capital Expenditures	12/18/09	\$ 1,856,000	6/30/15	\$ 70,000	3.75%	\$ 1,766,000	\$	\$ 60,000	\$	\$ 1,706,000
			6/30/16	80,000	3.75%					
			6/30/17	90,000	3.75%					
			6/30/18	100,000	3.75%					
			6/30/19	110,000	3.75%					
			6/30/20	120,000	3.75%					
			6/30/21	130,000	3.75%					
			6/30/22	140,000	3.75%					
			6/30/23	155,000	4.00%					
			6/30/24	160,000	4.00%					
			6/30/25	170,000	4.00%					
			6/30/26	185,000	4.00%					
			6/30/27	196,000	4.00%					

EXHIBIT I-1
(3)

PITTSBORO TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2014

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance	Issued	Retired	Refunded	Balance
			Date	Amount		July 1, 2013				June 30, 2014
2013 Refunding Issue	3/20/13	\$ 1,805,000	3/1/15	\$ 115,000	2.00%	\$ 1,805,000	\$	\$ 20,000	\$	\$ 1,785,000
			3/1/16	130,000	2.00%					
			3/1/17	135,000	2.20%					
			3/1/18	135,000	2.00%					
			3/1/19	140,000	2.00%					
			3/1/20	140,000	2.00%					
			3/1/21	165,000	3.00%					
			3/1/22	170,000	3.00%					
			3/1/23	180,000	3.00%					
			3/1/24	235,000	3.00%					
			3/1/25	240,000	3.00%					
Total Regular Serial Bonds						\$ 7,421,000	\$	\$ 510,000	\$	\$ 6,911,000

EXHIBIT I-1
(4)

PITTSBORO TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF NJEDA SERIAL BONDS
JUNE 30, 2014

<u>Series</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate Payable</u>	<u>Balance Outstanding July 1, 2013</u>		<u>Retired</u>	<u>Balance Outstanding June 30, 2014</u>	
			<u>Date</u>	<u>Amount</u>						
NJEDA Safe Program	8/18/93	\$ 249,732				\$ 13,142	\$	13,142	\$	
NJEDA Small Project Loan	8/18/93	749,198				55,506		55,506		
						\$ 68,648	\$	68,648	\$	

EXHIBIT I-2

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2014

Series	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2013	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2014
Lease # PUB 10180 Laptops	2.49%	\$ 266,912	\$ 133,415	\$	\$ 65,887	\$ 67,528
Lease # 7365079 New iPads	4.11%	114,121	74,764		36,746	38,018
Lease # 40099825 Refinancing	2.75%	1,815,080	1,815,080			1,815,080
Lease # 40099826 Refinancing	2.75%	493,774	470,762		89,052	381,710
Lease - Chromebooks	2.79%	99,618		99,618	33,967	65,651
Lease -Teaching Material	2.62%	134,729		134,729	46,076	88,653
Totals			<u>\$ 2,494,021</u>	<u>\$ 234,347</u>	<u>\$ 271,728</u>	<u>\$ 2,456,640</u>
General Supplies				\$ 234,347	\$ 182,676	
Capital Outlay					89,052	
				<u>\$ 234,347</u>	<u>\$ 271,728</u>	

PITTSBURGH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 542,035	\$	\$ 542,035	\$ 542,035	\$
State Sources:					
Debt Service Aid Type II	316,248		316,248	316,248	
Total Revenues	858,283		858,283	858,283	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	299,636	(19,999)	279,637	266,240	13,397
Redemption of Principal	558,649	19,999	578,648	578,648	
Total Expenditures	858,285		858,285	844,888	13,397
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2)		(2)	13,395	(13,397)
Other Financing Sources:					
Operating Transfers In:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(2)		(2)	13,395	(13,397)
Fund Balance, July 1	2		2	2	
Fund Balance, June 30	\$	\$	\$	\$ 13,397	\$ (13,397)
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Undesignated Fund Balance	\$	\$	\$	\$ 13,397	\$

STATISTICAL SECTION

TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

		Fiscal Year Ending June 30,									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities											
Invested in Capital Assets, Net of Related Debt	\$	2,458,167	\$ 6,510,492	\$ 6,149,213	\$ 6,180,402	\$ 6,573,146	\$ 4,898,127	\$ 6,760,829	\$ 6,745,097	\$ 7,022,729	\$ 6,724,953
Restricted		4,954,024	1,165,504	1,325,565	1,052,999	1,175,800	(156,922)	728,346	1,194,025	712,709	524,090
Unrestricted		(1,054,721)	(800,077)	(629,761)	(142,959)	(1,445,934)	27,182	(1,587,578)	(1,484,352)	(1,474,560)	(1,821,546)
Total Governmental Activities Net Position	\$	6,357,470	6,875,919	6,845,017	7,090,442	6,303,012	4,768,387	5,901,597	6,454,770	6,260,878	5,427,497
Business-Type Activities											
Invested in Capital Assets, Net of Related Debt	\$		\$ 8,815	\$	\$	\$	\$	\$	\$ 20,045	\$ 35,724	\$ 37,274
Unrestricted		30,925	31,742	58,838	48,881	51,409	39,769	21,562	40,464	20,110	117,027
Total Business-Type Activities Net Position	\$	30,925	40,557	58,838	48,881	51,409	39,769	21,562	60,509	55,834	154,301
District-Wide											
Invested in Capital Assets, Net of Related Debt	\$	2,458,167	\$ 6,519,307	\$ 6,149,213	\$ 6,180,402	\$ 6,573,146	\$ 4,898,127	\$ 6,760,829	\$ 6,765,142	\$ 7,058,453	\$ 6,762,227
Restricted		4,954,024	1,165,504	1,325,565	1,052,999	1,175,800	(156,922)	728,346	1,194,025	712,709	524,090
Unrestricted		(1,023,796)	(768,335)	(570,923)	(94,078)	(1,394,525)	66,951	(1,566,016)	(1,443,888)	(1,454,450)	(1,704,519)
Total District-Wide Net Position	\$	6,388,395	6,916,476	6,903,855	7,139,323	6,354,421	4,808,156	5,923,159	6,515,279	6,316,712	5,581,798

Source: CAFR Schedule A-1

TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities										
Instruction										
Regular	\$ 7,777,298	7,758,975	7,468,165	7,634,910	8,096,230	8,093,806	7,615,098	7,794,480	7,949,881	8,103,294
Special Education	1,457,099	1,410,174	1,472,185	1,390,199	1,477,034	1,754,533	1,976,525	1,997,959	2,090,259	2,216,980
Other Special Instruction	167,352	109,993	156,531	180,051	261,667	201,888	265,475	398,908	265,282	422,846
Other Instruction	426,617	461,377	394,801	416,452	444,710	411,566	335,613	375,583	378,190	385,895
Support Services										
Tuition	453,243	317,399	426,362	467,006	460,091	573,628	604,526	515,590	507,683	663,762
Student and Instruction Related Services	2,427,358	2,697,032	2,690,429	2,960,358	3,157,058	3,372,253	3,025,587	2,966,962	3,135,539	3,214,303
School Administrative Services	2,456,458	2,620,626	3,402,293	809,369	979,112	990,849	1,135,057	1,131,465	1,140,257	1,132,564
General Administrative Services	735,838	456,942	488,868	2,892,248	3,672,041	3,120,429	2,229,581	2,301,980	1,766,822	718,866
Central Services and Information Technology	410,514	823,228	870,273	725,035	901,986	1,031,326	706,497	877,653	1,019,483	1,000,428
Plant Operations and Maintenance	2,325,600	2,059,603	2,121,444	2,384,032	2,619,454	2,447,903	2,526,263	2,556,330	2,439,996	2,612,458
Pupil Transportation	900,945	938,589	1,087,651	1,199,962	1,208,280	1,349,597	1,445,650	1,612,043	1,947,403	1,841,265
Employee Benefits	3,960,092	4,276,577	5,596,365	5,859,781	5,571,117	6,121,465	5,912,097	6,287,693	6,666,212	7,155,865
Business and Other Support Services	191,580	127,394	290,324	221,515	82,774	27,685	128,856	394,902	58,088	83,854
Special Schools		60,102	65,925	72,884	73,440	56,746	101,308	93,866	91,592	96,324
Amortization of Debt Issue Costs	6,683	8,109	8,109	8,109	25,867	25,867	6,509	6,510	45,000	
Interest on Long-Term Debt	376,736	439,905	429,168	493,377	265,002	332,050	396,553	347,045	324,953	356,493
Unallocated Depreciation and Amortization	622,334	644,806	676,823	872,321	943,646	2,000,447	1,191,857	1,214,157	1,249,822	1,306,380
Total Governmental Activities Expenses	24,695,747	25,210,831	27,645,716	28,587,609	30,239,509	31,911,958	29,603,052	30,873,126	31,076,462	31,311,577
Business-Type Activities										
Food Service	778,178	749,039	784,383	846,267	859,983	832,174	773,902	779,706	735,073	686,032
Child Care	127,736	121,936	159,021	148,074	141,889	129,659	145,651	145,301	155,308	114,019
Total Business-Type Activities Expense	905,914	870,975	943,404	994,341	1,001,872	961,833	919,553	925,007	890,381	800,051
Total District Expenses	\$ 25,601,661	26,081,806	28,589,120	29,581,950	31,241,381	32,873,791	30,522,605	31,798,133	31,966,843	32,111,628
Program Revenues										
Governmental Activities										
Charges for Services	\$ 2,814,837	2,475,167	3,529,557	3,521,345	3,685,495	3,446,323	2,191,212	2,588,390	2,063,004	1,007,820
Operating Grants and Contributions	1,423,488	2,821,686	3,544,144	3,649,039	2,407,917	2,688,851	2,528,490	2,817,784	3,237,389	2,984,638
Total Governmental Activities Prog. Revenues	4,238,325	5,296,853	7,073,701	7,170,384	6,093,412	6,135,174	4,719,702	5,406,174	5,300,393	3,992,458
Business-Type Activities										
Charges for Services										
Food Service	447,550	456,659	464,742	484,560	489,920	473,046	409,787	425,683	384,801	388,776
Child Care	143,971	119,934	174,687	139,256	146,065	120,408	159,006	150,346	134,954	144,876
Operating Grants and Contributions	300,961	282,478	293,220	300,431	316,876	345,128	320,949	327,310	329,207	364,674
Total Business-Type Activities Prog. Revenues	892,482	859,071	932,649	924,247	952,861	938,582	889,742	903,339	848,962	898,326
Total District Program Revenues	\$ 5,130,807	6,155,924	8,006,350	8,094,631	7,046,273	7,073,756	5,609,444	6,309,513	6,149,355	4,890,784
Net (Expense)/Revenue										
Governmental Activities	\$ (20,457,422)	(19,913,978)	(20,572,015)	(21,417,225)	(24,146,097)	(25,776,784)	(24,883,350)	(25,466,952)	(25,776,069)	(27,319,119)
Business-Type Activities	(13,432)	(11,904)	(10,755)	(70,094)	(49,011)	(23,251)	(29,811)	(21,668)	(41,419)	98,275
Total District-Wide Net Expense	\$ (20,470,854)	(19,925,882)	(20,582,770)	(21,487,319)	(24,195,108)	(25,800,035)	(24,913,161)	(25,488,620)	(25,817,488)	(27,220,844)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, net	\$ 7,423,995	8,020,549	8,164,880	8,461,511	8,345,144	8,625,275	8,483,060	8,483,060	8,826,602	9,003,134
Taxes Levied for Debt Service	399,688	399,688	399,688	370,652	449,121	454,880	583,860	573,888	606,352	542,035
Unrestricted Grants and Contributions	13,873,384	10,524,806	10,525,828	10,996,417	12,612,748	13,276,946	13,956,827	13,752,737	13,216,567	13,772,056
Tuition Received	1,413,465	1,296,025	1,336,190	1,499,984	1,578,018	1,663,587	2,766,329	3,040,004	3,034,238	3,168,286
Investment Earnings	52,416	96,340	137,988	91,921	30,284	24,855	17,399	11,597	6,772	6,478
Miscellaneous Income	292,447	275,730	295,035	237,759	260,955	207,616	220,085	260,398	256,373	122,358
Gain on Defeasement of Debt					132,873			6,568		
Accrued Interest and Fixed Asset Adjustments		(114,933)	(308,020)	14,882						
Cancellation of Accounts Receivable/Payable								(6,341)	(61,129)	(65,507)
Transfer to Charter School	(7,948)	(8,478)						(41,906)	(183,845)	(54,085)
Transfers	(30,000)	(57,300)	(10,476)	(10,476)	(50,476)		(11,000)	(59,880)	(36,557)	(9,017)
Total Governmental Activities	23,417,447	20,432,427	20,541,113	21,662,650	23,358,667	24,253,159	26,016,560	26,020,125	25,665,373	26,485,738
Business-Type Activities										
Investment Earnings	37	2,088	6,560	4,038	1,063	611	604	735	187	192
Miscellaneous Income			12,000	12,732						
Prior Year Adjustments		(37,852)		32,891						
Transfer	30,000	57,300	10,476	10,476	50,476		11,000	59,880	36,557	
Total Business-Type Activities	30,037	21,536	29,036	60,137	51,539	611	11,604	60,615	36,744	192
Total District-Wide	\$ 23,447,484	20,453,963	20,570,149	21,722,787	23,410,206	24,253,770	26,028,164	26,080,740	25,702,117	26,485,930
Change in Net Position										
Governmental Activities	\$ 2,960,025	518,449	(30,902)	245,425	(787,430)	(1,523,625)	1,133,210	553,173	(110,696)	(833,381)
Business-Type Activities	16,605	9,632	18,281	(9,957)	2,528	(22,640)	(18,207)	38,947	(4,675)	98,467
Total District-Wide	\$ 2,976,630	528,081	(12,621)	235,468	(784,902)	(1,546,265)	1,115,003	592,120	(115,371)	(734,914)

Source: CAFR Schedule A-2

TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund										
Restricted	\$ 1,081,785	\$ 1,126,229	\$ 1,130,674	\$ 1,318,264	\$ 1,059,301	\$ 543,765	\$ 244,210	\$ 607,456	\$ 562,392	
Capital Reserve										2,721
Assigned:										
Year-end Encumbrances										155,349
Subsequent Year's Expenditures										200,000
Unrestricted	<u>194,965</u>	<u>80,918</u>	<u>13,687</u>	<u>(67,668)</u>	<u>(756,755)</u>	<u>(1,032,703)</u>	<u>(806,569)</u>	<u>(700,726)</u>	<u>(778,052)</u>	<u>(810,199)</u>
Total General Fund	<u>\$ 1,276,750</u>	<u>\$ 1,207,147</u>	<u>\$ 1,144,361</u>	<u>\$ 1,250,596</u>	<u>\$ 302,546</u>	<u>\$ (488,938)</u>	<u>\$ (562,359)</u>	<u>\$ (93,270)</u>	<u>\$ (215,660)</u>	<u>\$ (452,129)</u>
All Other Governmental Funds										
Restricted	\$ 3,606,518	\$ 89,335	\$	\$	\$	\$ 2,503,077	\$	\$	\$	
Unrestricted, Reported in:										
Special Revenue Fund	(16,388)	(16,388)	(16,388)	(21,311)	(6,930)	(6,930)	(6,930)	(6,930)	(6,930)	(6,930)
Capital Projects Fund	194,871	60,584	114,382	112,254	112,254	(693,611)	385,035	395,953	66,265	66,265
Debt Service Fund	35,295	31,005		2	3	23,832	23,832	2	2	13,397
Permanent Fund	<u>63,828</u>	<u>64,911</u>	<u>71,525</u>	<u>75,982</u>	<u>77,675</u>	<u>79,666</u>	<u>82,199</u>	<u>91,252</u>	<u>90,980</u>	<u>93,288</u>
Total All Other Governmental Funds	<u>\$ 3,884,124</u>	<u>\$ 229,447</u>	<u>\$ 169,519</u>	<u>\$ 166,927</u>	<u>\$ 183,002</u>	<u>\$ 1,906,034</u>	<u>\$ 484,136</u>	<u>\$ 480,277</u>	<u>\$ 150,317</u>	<u>\$ 166,020</u>

Source: CAFR Schedule B-1

TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Tax Levy	\$ 7,823,683	\$ 8,420,237	\$ 8,564,568	\$ 8,832,163	\$ 8,794,265	\$ 9,080,155	\$ 9,066,920	\$ 9,056,948	\$ 9,432,954	\$ 9,545,169
Tuition Charges	1,413,465	1,296,025	1,336,190	1,499,984	1,578,018	1,663,587	2,766,329	3,030,411	3,034,238	3,168,286
Tuition from State of New Jersey								9,593		
Rent										
Interest Earnings	34,389	95,854	137,988	91,894	30,284	24,855	17,399	11,597	6,772	6,478
Miscellaneous	297,366	279,898	303,225	244,638	267,644	207,616	220,085	260,398	356,756	174,358
State Sources	12,197,671	12,310,952	13,159,024	13,766,835	14,213,812	12,974,281	15,606,741	15,317,128	15,651,284	15,902,514
Federal Sources	991,556	1,027,497	902,715	871,742	800,166	2,991,516	878,576	1,253,393	802,672	854,180
Local Sources										
Total Revenues	22,758,130	23,430,463	24,403,710	25,307,256	25,684,189	26,942,010	28,556,050	28,939,468	29,284,676	29,650,985
Expenditures										
Instruction										
Regular Instruction	7,889,994	7,758,975	7,563,231	7,634,910	8,096,231	8,190,926	7,659,818	7,583,063	7,900,047	8,015,101
Special Education Instruction	1,457,099	1,410,174	1,472,185	1,390,199	1,477,034	1,754,533	1,976,525	1,997,959	2,090,259	2,216,980
Other Special Instruction	167,352	109,993	156,531	180,051	261,667	201,808	265,475	398,908	265,282	422,846
Other Instruction	426,617	461,377	394,801	416,452	444,710	411,566	335,613	375,583	378,190	385,895
Support Services										
Tuition	453,243	317,399	426,362	467,006	460,091	573,628	604,526	515,590	507,683	663,762
Student and Instruction Related Services	2,112,441	2,486,040	2,211,908	2,581,781	2,753,777	2,930,502	2,809,023	2,889,590	3,013,574	3,105,515
School Administrative Services	479,115	767,926	737,755	809,369	979,112	990,849	1,135,057	1,131,465	1,140,257	1,132,564
General Administrative Services	763,460	456,942	488,868	543,214	509,884	648,049	559,092	525,446	541,473	655,238
Central Services and Information Tech	415,514	823,228	870,273	725,035	767,403	786,096	693,832	770,183	754,783	724,659
Plant Operations and Maintenance	2,000,669	2,040,918	2,111,635	2,268,645	2,499,609	2,410,917	2,508,084	2,580,069	2,709,377	2,589,199
Pupil Transportation	907,824	1,040,497	1,037,745	1,281,853	1,223,458	1,357,368	1,262,832	1,528,691	1,741,610	1,572,887
Business and Other Support Services	328									
Unallocated Employee Benefits	3,966,167	4,389,189	5,657,445	5,764,717	5,549,810	6,124,014	5,938,758	6,267,598	6,658,694	7,123,962
Special Schools		60,102	65,925	72,884	73,440	56,746	101,308	93,866	91,592	96,324
Capital Outlay	887,300	4,321,312	575,601	1,371,952	1,224,172	856,466	3,291,389	1,929,261	907,015	312,914
Debt Service										
Principal	509,171	537,876	538,533	366,254	478,078	534,929	536,923	579,021	611,278	578,648
Interest and Other Charges	376,736	453,551	425,850	398,603	378,668	296,895	362,114	339,215	319,631	266,240
Total Expenditures	22,813,030	27,435,499	24,734,648	26,272,925	27,177,144	28,125,292	30,040,369	29,505,508	29,630,745	29,862,734
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(54,900)	(4,005,036)	(330,938)	(965,669)	(1,492,955)	(1,183,282)	(1,484,319)	(566,040)	(346,069)	(211,749)
Other Financing Sources (Uses)										
Transfer to Charter School	(7,948)	(8,478)						(41,906)	(183,845)	(9,017)
Capital Lease (Non-budgeted)	443,162	346,534	218,700	1,081,916	611,456	269,830		1,133,056	114,121	
Bond Proceeds						1,856,000				
Transfers	(21,933)	(57,300)	(10,476)	(12,604)	(50,476)	(11,000)	(11,000)	(59,880)	(36,557)	
Total Other Financing Sources (Uses)	413,281	280,756	208,224	1,069,312	560,980	2,114,830	(11,000)	1,031,270	(106,281)	(9,017)
Net Change in Fund Balances	\$ 358,381	\$ (3,724,280)	\$ (122,714)	\$ 103,643	\$ (931,975)	\$ 931,548	\$ (1,495,319)	\$ 465,230	\$ (452,350)	\$ (220,766)
Debt Service as a Percentage of										
Noncapital Expenditures	4.0%	4.3%	4.0%	3.1%	3.3%	3.1%	3.4%	3.3%	3.2%	2.9%

Source: CAFR Schedule B-2

TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals and Use of Facilities	Prior Year Tuition	Services to Other LEAs	Refund of Prior Year Expenditure	Insurance Refunds and Settlement	Athletic Receipts	Energy Admin Fee	Sale of Paper	Misc.	Total
2014	\$ 6,044	\$ 3,168,286	\$ 1,260	\$	\$	\$ 29,604	\$ 11,118	\$ 19,137	\$ 43,614	\$ 52,000	\$ 11,995	\$ 3,343,058
2013	6,375	3,034,238	2,200	27,200	109,713	2,099	237	13,901	83,173	100,383	15,839	3,395,358
2012	9,998	3,040,004	5,992	21,530	107,562	24,269	982	12,776	47,735		1,079	3,271,927
2011	10,700	2,766,329	16,288	32,977	73,900	7,926	4,341	15,028	45,651		12,329	2,985,469
2010	14,748	1,663,587	15,792	19,205	105,917	500	11,004	14,038	26,674		3,701	1,875,166
2009	27,105	1,578,018	14,505	870	130,963	17,311	32,536	15,162	38,202		7,091	1,861,763
2008	76,102	1,499,984	11,251	527	126,267	18,041	39,459	23,359	14,087		18	1,809,095
2007	137,988	1,336,190	15,137	49,024	143,838	29,687	21,665	13,822			30,052	1,777,403
2006	95,854	1,296,025	13,155	6,046	95,445	16,186	33,953	18,634		80,000	16,479	1,671,777
2005	33,969	1,413,465	16,476	56,101	36,005	10,638	36,030	16,956		85,000	24,811	1,729,451

Source: District Records

TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2014	\$ 14,454,600	\$ 481,609,800	\$ 51,345,600	\$ 5,533,100	\$ 52,552,800	\$ 605,495,900	\$ 1,063,370	\$ 606,559,270	1.595	\$ 632,887,385 ^c
2013	15,019,300	481,690,300	51,248,500	5,357,000	52,672,700	605,987,800	1,432,898	607,420,698	1.563	640,468,893
2012	15,634,200	479,213,600	52,128,600	5,404,900	52,936,800	605,318,100	1,488,950	606,807,050	1.524	656,677,416
2011	15,819,000	479,494,800	52,294,400	5,540,200	52,603,300	605,751,700	1,527,972	607,279,672	1.492	674,374,498
2010	15,784,300	478,832,100	53,269,500	5,502,600	51,823,700	605,212,200	1,831,644	607,043,844	1.495	711,299,851
2009	16,928,800	475,124,900	51,948,000	5,531,700	51,299,600	600,833,000	1,813,634	602,646,634	1.468	724,793,252
2008	16,892,800	471,670,200	53,651,800	5,236,200	51,371,500	598,822,500	1,628,094	600,450,594	1.468	745,017,560
2007	18,678,500	463,937,500	51,587,700	5,251,400	53,041,200	592,496,300	1,674,563	594,170,863	1.464	735,143,635
2006	20,531,200	452,487,700	50,310,800	5,270,700	53,660,200	582,260,600	1,815,309	584,075,909	1.398	599,495,883
2005	25,341,000	437,510,900	48,001,200	5,262,300	55,643,000	571,758,400	2,019,874	573,778,274	1.416	585,098,649

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

c Estimate

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)

Pittsboro Township Board of Education				Overlapping Rates			
Year Ended June 30,	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Pittsboro Township	Salem County	Municipal Open Space	Total
2014	\$ 1.504	\$ 0.091	\$ 1.595	\$ 0.281	\$ 1.012	\$ 0.010	\$ 2.898
2013	1.463	0.100	1.563	0.280	1.019	0.010	2.872
2012	1.427	0.097	1.524	0.261	1.019	0.015	2.819
2011	1.396	0.096	1.492	0.216	0.994	0.030	2.732
2010	1.420	0.075	1.495	0.216	1.034	0.030	2.775
2009	1.406	0.076	1.482	0.216	1.068	0.030	2.796
2008	1.406	0.062	1.468	0.238	1.150	0.031	2.887
2007	1.386	0.068	1.454	0.253	1.013	0.030	2.750
2006	1.332	0.066	1.398	0.253	1.013	0.030	2.694
2005	1.344	0.072	1.416	0.227	0.909	0.030	2.582

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b Rates for debt service are based on each year's requirements.

TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
Unaudited

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Nancy-Lee Inc.	\$ 5,742,000	1	0.95%	\$ 5,742,000	1	0.99%
LJK Golf LLC	4,118,400	2	0.68%			
Bifulco Brothers	3,754,000	3	0.62%	2,199,500	6	0.38%
Rainbow of NJ	2,719,000	4	0.45%	2,719,000	4	0.47%
Taxpayer #1	2,427,300	5	0.40%	2,306,500	5	0.40%
Taxpayer #2	2,152,800	6	0.36%			
Windover LLC	2,015,200	7	0.33%	2,015,200	8	0.35%
PAR 3 Management LLC	1,790,000	8	0.30%			
Mayerfeld Farms & Supply Co. Inc.	1,732,100	9	0.29%			
T&T Management LLC	1,730,800	10	0.29%			
Running Deer Golf Co.				4,548,200	2	0.78%
K. Hovnanian at Pittsgrove, LLC				2,004,000	9	0.34%
Eatmor Market				2,168,400	7	0.37%
DEP c/o Sway Golf, Inc. (1)				3,298,900	3	0.57%
Headley Homes, Inc.				1,846,200	10	0.32%
Total	\$ 22,439,600		3.71%	\$ 28,847,900		4.97%

Source: Municipal Tax Assessor
(1) Formerly Centerton Golf Club

TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,		Taxes Levied for the Fiscal Year		Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
				Amount	% of Levy	
2014	\$	9,545,169	\$	9,545,169	100.00%	\$
2013		9,545,169		9,545,169	100.00%	
2012		9,056,948		9,056,948	100.00%	
2011		9,066,921		9,066,921	100.00%	
2010		9,080,155		9,080,155	100.00%	
2009		8,794,265		8,794,265	100.00%	
2008		8,832,163		8,832,163	100.00%	
2007		8,564,256		8,564,256	100.00%	
2006		8,420,237		8,420,237	100.00%	
2005		8,420,237		8,420,237	100.00%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note:

TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2014	\$ 6,911,000	\$ 2,456,640	\$	\$	\$ 9,367,640	2.35%	\$ 1,015	*
2013	7,489,648	2,494,021			9,983,669	2.53%	1,082	
2012	8,024,925	2,806,909			10,831,834	2.75%	1,164	
2011	8,603,946	1,785,491			10,389,437	2.69%	1,109	
2010	9,140,869	2,000,764			11,141,633	2.91%	1,159	
2009	7,819,798	2,102,572			9,922,370	2.67%	1,044	
2008	8,352,876	1,792,501			10,145,377	2.81%	1,104	
2007	8,719,130	1,156,493			9,875,623	2.87%	1,066	
2006	9,257,663	1,345,147			10,602,810	3.19%	1,133	
2005	9,795,539	1,389,546			11,185,085	3.59%	1,215	

* Estimate

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

TOWNSHIP OF PITTSBGROVE SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 6,911,000	\$	\$ 6,911,000	1.09%	\$ 749 *
2013	7,489,648		7,489,648	1.17%	811
2012	8,024,925		8,024,925	1.22%	863
2011	8,603,946		8,603,946	1.21%	919
2010	9,140,869		9,140,869	1.26%	975
2009	7,819,798		7,819,798	1.08%	825
2008	8,352,876		8,352,876	1.12%	882
2007	8,719,130		8,719,130	1.19%	922
2006	9,257,663		9,257,663	1.54%	979
2005	9,795,539		9,795,539	1.67%	1,047

* Estimate

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-13.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2014

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Pittsboro Township	\$ 1,404,540		\$ 1,404,540
Other debt			
County of Salem - Township's Share	45,996,484	11.9%	5,467,586
Salem County Improvement Authority	1,775,000	11.9%	210,994
Subtotal, Overlapping Debt			7,083,120
Pittsboro Township School District Direct Debt			6,911,000
Total Direct and Overlapping Debt			\$ 13,994,120

Sources: Pittsboro Township Finance Officer and Salem County Finance Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Pittsboro. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2013

	Equalized Valuation Basis	
	2013	\$ 632,291,110
	2012	638,251,898
	2011	653,665,372
	[A]	\$ 1,924,208,380
Average Equalized Valuation of Taxable Property	[A/3]	\$ 641,402,793
Debt Limit (4% of Average Equalization Value)	[B]	\$ 25,656,112
Net Bonded School Debt	[C]	6,911,000
Legal Debt Margin	[B-C]	\$ 18,745,112

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 18,702,736	\$ 21,036,495	\$ 23,744,900	\$ 26,459,533	\$ 28,229,424	\$ 28,713,938	\$ 27,866,713	\$ 27,011,045	\$ 26,157,926	\$ 25,656,112
Total Net Debt Applicable to Limit	9,795,539	9,257,663	8,719,130	8,352,876	7,819,798	9,140,869	8,603,946	8,024,925	7,489,648	6,911,000
Legal Debt Margin	\$ 8,907,197	\$ 11,778,832	\$ 15,025,770	\$ 18,106,657	\$ 20,409,626	\$ 19,573,069	\$ 19,262,767	\$ 18,986,120	\$ 18,668,278	\$ 18,745,112
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	52.37%	44.01%	36.72%	31.57%	27.70%	31.83%	30.88%	29.71%	28.63%	26.94%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

TOWNSHIP OF PITTSBORO SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year		Population ^a		Personal Income (thousands of dollars) ^b		Per Capita Personal Income ^c		Unemployment Rate ^d
2014	**	9,226	\$	398,574,594	\$	43,201	**	6.0%
2013		9,231		394,842,179		42,774		5.8%
2012		9,304		394,024,400		42,350		9.7%
2011		9,367		385,845,464		41,192		9.5%
2010		9,380		374,158,820		39,889		10.0%
2009		9,475		370,832,550		39,138		9.5%
2008		9,471		371,774,634		39,254		5.5%
2007		9,453		351,254,574		37,158		4.3%
2006		9,461		335,931,727		35,507		4.4%
2005		9,356		316,457,344		33,824		4.7%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

** Estimate

TOWNSHIP OF PITTSBGROVE SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	<u>2014</u>			<u>2005</u>	
	<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>

Not Available

Source:

TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
Unaudited

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction										
Regular	143.50	145.50	142.00	136.50	135.50	127.50	125.70	128.00	129.00	129.00
Special education	11.50	13.50	21.00	24.00	25.10	25.10	25.10	25.10	26.00	26.00
Support Services:										
Student & instruction related services	30.20	33.45	28.50	24.30	36.00	38.50	38.50	38.50	38.50	38.50
General administrative services	3.50	4.00	4.00	4.00	3.50	2.50	2.50	2.50	2.50	2.50
School administrative services	14.00	14.00	13.00	15.50	16.00	14.00	14.00	14.00	14.00	14.00
Central services	4.50	5.50	8.00	10.50	10.00	6.50	5.50	5.50	5.50	5.00
Administrative information technology	1.00	1.00	4.00	4.00	4.50	4.50	4.50	4.50	4.50	4.50
Plant operations and maintenance	10.90	20.75	20.00	16.20	19.00	19.00	19.00	19.00	19.00	12.00
Pupil transportation	21.75	13.00	19.00	23.70	32.00	24.00	24.00	24.00	24.00	29.00
Total	<u>240.85</u>	<u>250.70</u>	<u>259.50</u>	<u>258.70</u>	<u>281.60</u>	<u>261.60</u>	<u>258.80</u>	<u>261.10</u>	<u>263.00</u>	<u>260.50</u>

Source: District Personnel Records

TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
Unaudited

Fiscal	Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Pre K & K	Elementary	Middle School	High School				
2014	1,802	\$ 29,549,820	\$ 16,398	2.82%	155.00	1 : 14.0	1 : 13.0	1 : 8.0	1 : 7.0	1,743	1,678	1.36%	96.27%
2013	1,801	28,723,730	15,949	4.97%	155.00	1 : 14.8	1 : 16.6	1 : 11.4	1 : 11.7	1,720	1,646	-1.29%	95.69%
2012	1,815	27,576,247	15,194	7.41%	153.10	1 : 15.4	1 : 15.2	1 : 12.4	1 : 11.3	1,742	1,665	-5.12%	95.58%
2011	1,891	26,748,980	14,145	-0.85%	150.80	1 : 14.5	1 : 11.2	1 : 10.7	1 : 10.4	1,836	1,753	2.91%	95.48%
2010	1,853	26,437,002	14,267	5.12%	152.60	1 : 14.0	1 : 17.0	1 : 16.0	1 : 15.7	1,784	1,704	-0.61%	95.52%
2009	1,849	25,096,226	13,573	8.98%	166.50	1 : 7.7	1 : 8.8	1 : 9.0	1:08.7	1,795	1,704	-3.97%	94.93%
2008	1,938	24,136,116	12,454	7.28%	151.50	1:14.9	1:13.4	1:12.0	1:13.4	1,869	1,765	-3.30%	94.43%
2007	1,998	23,194,664	11,609	1.01%	143.00	1:18.7	1:12.9	1:13.6	1:12.6	1,933	1,827	0.16%	94.52%
2006	1,925	22,122,760	11,492	3.89%	147.90	1:17.2	1:12.2	1:13.2	1:13.0	1,930	1,825	-2.70%	94.56%
2005	1,902	21,039,823	11,062	2.76%	176.00	1:14.5	1:13.5	1:13.2	1:12.8	1,984	1,869	4.77%	94.20%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- (2) Teaching staff includes only full-time equivalents of certificated staff. 2006 information obtained from the fall survey.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
Unaudited

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<u>District Building</u>										
<u>Elementary</u>										
Norma School (1953, 1994)										
Square Feet	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110
Capacity (students)	135	135	135	135	135	135	135	135	135	135
Enrollment	178.5	174.4	155.2	173.9	189.5	168.0	187.0	188.0	189.0	173.0
Olivet School (1930, 1957, 1966, 1992)										
Square Feet	56,659	56,659	56,659	56,659	56,659	56,659	56,659	56,659	56,659	56,659
Capacity (students)	630	630	630	630	630	630	630	630	630	630
Enrollment	362.8	367.8	384.6	406.0	425.2	441.0	476.0	481.0	456.0	466.0
Elmer School										
Square Feet	19,281	19,281	19,281	19,281						
Capacity (students)	158	158	158	158						
Enrollment	199.7	209.2	243.1	240.1						
<u>Middle School</u>										
Pittsgrove Middle School (1912, 1999)										
Square Feet	88,473	88,473	88,473	88,473	88,473	88,473	88,473	88,473	88,473	88,473
Capacity (students)	630	630	630	630	630	630	630	630	630	630
Enrollment	441.8	455.5	433.0	430.7	558.5	577.0	612.0	609.0	634.0	642.0
<u>High School</u>										
Arthur P. Schallick High School (1976)										
Square Feet	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000
Capacity (students)	721	721	721	721	721	721	721	721	721	721
Enrollment	560.5	512.7	599.2	640.5	680.0	663.0	689.0	720.0	646.0	621.0
<u>Other</u>										
Maintenance Building (2000)										
Square Feet	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Annex Building (1933, 1942)										
Square Feet	5,828	5,828	5,828	5,828	5,828	5,828	5,828	5,828	5,828	5,828
Board of Education (1989)										
Square Feet	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800
Round House (1985)										
Square Feet	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Number of Schools at June 30, 2014										
Preschool & Kindergarten = 1										
Elementary = 2										
Middle School = 1										
High School = 1										

Source: District records, ASSA

Note: Year of original construction is shown in parentheses along with additions. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
A.P. Schalick High School	112,000	\$ 13,740	\$ 21,923	\$ 38,062	\$ 16,324	\$ 77,483	\$ 57,478	\$ 50,098	\$ 52,492	\$ 104,797	\$ 106,279
Pittsgrove Middle School	88,473	5,711	6,654	3,293	8,608	12,851	21,382	52,954	26,348	25,245	46,651
Olivet Elementary School	56,659	6,873	38,560	8,709	3,126	2,581	37,634	25,889	32,099	36,822	37,220
Elmer Elementary School	19,281	10,060	7,947	4,811	7,504						
Norma Elementary School	22,110	1,952	6,059	11,931	6,213	4,830	13,565	30,982	19,808	17,443	28,722
Total School Facilities		<u>38,336</u>	<u>81,143</u>	<u>66,806</u>	<u>41,775</u>	<u>97,745</u>	<u>130,059</u>	<u>159,923</u>	<u>130,747</u>	<u>184,307</u>	<u>218,872</u>
Other Facilities	15,028	<u>32,177</u>	<u>58,253</u>	<u>47,607</u>	<u>59,108</u>	<u>58,143</u>	<u>63,280</u>	<u>10,310</u>	<u>10,585</u>	<u>6,421</u>	
Grand Total		<u>\$ 70,513</u>	<u>\$ 139,396</u>	<u>\$ 114,413</u>	<u>\$ 100,883</u>	<u>\$ 155,888</u>	<u>\$ 193,339</u>	<u>\$ 170,233</u>	<u>\$ 141,332</u>	<u>\$ 190,728</u>	<u>\$ 218,872</u>

* School Facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

TOWNSHIP OF PITTSBURGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2014
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Republic Franklin Insurance Company/Utica National Insurance Group		
Property- Blanket Building & Contents	\$ 54,628,210	\$ 1,000
General Liability Section		
General Aggregate Limit	3,000,000	
Personal Advertising Injury Limit	1,000,000	
Each Occurrence Limit	1,000,000	
School District Legal Liability Coverage		
Legal Liability	1,000,000	
Aggregate	3,000,000	
Insured Retained Limit (Each Loss)	7,500	
School Board Legal Liability		
Employee Benefit Liability		
Limit of Liability	1,000,000	
Annual Aggregate	3,000,000	
Retroactive Date (7/1/1990)		
Insured Retained Limit (Each Claim)	1,000	
Commercial Crime Section		
Employee Dishonest Coverage (Per Loss)	100,000	500
Commercial Inland Marine		
Hardware	1,113,970	250
Misc Contractor Equip	28,000	250
Business Auto Policy		
Liability Limit	1,000,000	
Comprehensive Deductible		598
Collision Deductible		3253
Utica National Insurance Group		
Umbrella Liability	10,000,000	
Workers Compensation		
Bodily Injury by Accident (Each Accident)	2,000,000	
Student Accident Coverage		
Compulsory Student Accident Coverage	5,000,000	
Surety Bonds- The Ohio Casualty Insurance Company		
Public Official Bond- Superintendent	250,000	
Public Official Bond- Business Administrator	250,000	

Source: District records

SINGLE AUDIT SECTION

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November 12, 2014

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Pittsgrove Township School District
County of Salem, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Pittsgrove School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2014, which collectively comprise the Board of Education of the Pittsgrove School District's basis financial statements and have issued our report thereon dated November 12, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Board of Education of the Pittsgrove School District, in the County of Salem, State of New Jersey, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Pittsgrove Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pittsgrove Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Pittsgrove Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiency in internal control over financial reporting that we consider to be a material weakness, as defined above and which is described in the accompanying schedule of findings and questioned costs. There were, however, one immaterial deficiency in internal control over financial reporting that we have reported to the Board of Education of the Pittsgrove School District in a separate *Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 12, 2014, labeled *Finding 2014-1*.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pittsgrove Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

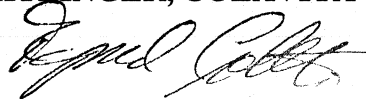
There was, however, one immaterial instance of noncompliance that we have reported to the Board of Education of the Pittsgrove School District in a separate *Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 12, 2014, labeled *Finding 2014-2*.

Purpose of this Report

This report is intended solely for the information and use of the audit committee, management, the Pittsgrove Board of Education, the New Jersey Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

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November 12, 2014

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
SCHEDULE OF AWARDS REQUIRED BY OMB CIRCULAR A-133
AND NEW JERSEY OMB CIRCULAR 04-04**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Pittsgrove Township School District
County of Salem, New Jersey

Report on Compliance for Each Major Program

We have audited of the Board of Education of the Pittsgrove Township School District, in the County of Salem, State of New Jersey, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Pittsgrove Township School District's major federal and state programs for the fiscal year ended June 30, 2014. The Pittsgrove Township Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the Pittsgrove Township Board of Education's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Pittsgrove Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Pittsgrove Township Board of Education's compliance with those requirements.

Opinion on Each Major Program

In our opinion, the Board of Education of the Pittsgrove Township School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Board of Education of the Pittsgrove Township School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Pittsgrove Township Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Pittsgrove Township Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Board of Education of the Pittsgrove Township School District responses to the findings identified in our audit is described in the accompanying schedule of findings and questioned cost. We did not audit the Board of Education of the Pittsgrove Township School District responses and, accordingly, we express no opinion on the responses.

This report is intended for the information and use of the audit committee, management, the Pittsgrove Township Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

PITTSBURGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-Through Grantor / Program Title	CFDA Number	State Project Number	Grant Period From To	Program or Award Amount	June 30, 2013			Cash Received	Budgetary Expenditures	Repay- ment	Adjust- ment	June 30, 2014		Due to Grantor at June 30, 2014
					Accounts Receivable	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	
U.S. Department of Education														
General Fund														
Medical Assistance Program	93.778	N/A	7/1/13- 6/30/14	\$ 14,214	\$	\$	\$	14,214	\$ (14,214)	\$	\$	\$	\$	\$
Education Jobs Fund	84.410A	N/A	7/1/12- 6/30/13	1,108	(1,108)			1,108						
Total U.S. Department of Education					(1,108)			15,322	(14,214)					
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Enterprise Fund:														
Food Distribution Program	10.550	N/A	7/1/12- 6/30/13	50,725		5,338			(5,338)					
Food Distribution Program	10.550	N/A	7/1/13- 6/30/14	47,825				47,825	(44,971)				2,854	
National School Lunch Program	10.555	N/A	7/1/12- 6/30/13	223,905	(44,811)			44,811						
National School Lunch Program	10.555	N/A	7/1/13- 6/30/14	247,662				196,605	(247,662)			(51,057)		
National School Breakfast Program	10.553	N/A	7/1/12- 6/30/13	47,288	(10,991)			10,991						
National School Breakfast Program	10.553	N/A	7/1/13- 6/30/14	57,961				44,782	(57,961)			(13,179)		
Special Milk Program	10.556	N/A	7/1/12- 6/30/13	1,791	(378)			378						
Special Milk Program	10.556	N/A	7/1/13- 6/30/14	1,119				889	(1,119)			(230)		
Total U.S. Department of Agriculture					(56,180)	5,338		346,281	(357,051)			(64,466)	2,854	
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
Title I	84.010	NCLB415014	7/1/13- 6/30/14	414,374				301,074	(383,986)			(82,912)		
Title I Summer	84.010	NCLB415013	9/1/12- 8/31/13	352,486				35,931	(35,931)					
Title I	84.010	NCLB415013	9/1/12- 8/31/13	352,486	(87,650)			87,650						
I.D.E.A. Part B, Basic	84.027	IDEA415014	7/1/13- 6/30/14	373,880				336,492	(373,880)			(37,388)		
I.D.E.A. Part B, Basic	84.027	IDEA415013	9/1/12- 8/31/13	396,564	(39,657)			39,657						
I.D.E.A. Part B, Preschool	84.173	IDEA415014	7/1/13- 6/30/14	9,268				9,268	(9,268)					
I.D.E.A. Part B, Preschool	84.173	IDEA415013	9/1/12- 8/31/13	10,200	(10,200)			10,200						
NCLB T-II A	84.367	NCLB415014	7/1/13- 6/30/14	39,718					(24,159)			(24,159)		
NCLB T-II A Summer	83.367	NCLB415013	9/1/12- 8/31/13	46,218				2,469	(2,469)					
NCLB T-II A	84.367	NCLB415013	9/1/12- 8/31/13	46,218	(36,477)			36,164			313			
NCLB T-II A	84.367	NCLB415011	9/1/10- 8/31/11	49,569			420			(420)				
Total U.S. Department of Education					(173,984)		420	858,905	(829,693)	(420)	313	(144,459)		
Total Federal Financial Assistance					\$ (231,272)	\$ 5,338	\$ 420	\$ 1,220,508	\$ (1,200,958)	\$ (420)	\$ 313	\$ (208,925)	\$ 2,854	\$

See accompanying notes to schedules of financial assistance

PITTSBURGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

EXHIBIT K-4

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2013		Cash Received	Budgetary Expenditures	June 30, 2014		MEMO	
				(Accounts Receivable)	Unearned Revenue			(Accounts Receivable)	Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:											
General Fund:											
Equalization Aid	13-495-034-5120-078	\$10,300,951	7/1/12 to 6/30/13	\$ (994,837)	\$	\$ 994,837	\$	\$	\$	\$	
Equalization Aid	14-495-034-5120-078	10,430,292	7/1/13 to 6/30/14			9,391,783	(10,430,292)	(1,038,509)		(1,038,509) *	10,430,292
Transportation Aid	13-495-034-5120-014	744,287	7/1/12 to 6/30/13	(74,429)		74,429					
Transportation Aid	14-495-034-5120-014	729,154	7/1/13 to 6/30/14			656,239	(729,154)	(72,915)		(72,915) *	729,154
Special Education Categorical Aid	13-495-034-5120-089	822,120	7/1/12 to 6/30/13	(82,033)		82,033					
Special Education Categorical Aid	14-495-034-5120-089	837,197	7/1/13 to 6/30/14			830,051	(837,197)	(7,146)		(7,146) *	837,197
Security Aid	13-495-034-5120-084	227,854	7/1/12 to 6/30/13	(22,785)		22,785					
Security Aid	14-495-034-5120-084	228,815	7/1/13 to 6/30/14			205,934	(228,815)	(22,881)		(22,881) *	228,815
Adjustment Aid	13-495-034-5120-085	12,519	7/1/12 to 6/30/13	(1,252)		1,252					
Adjustment Aid	14-495-034-5120-085	12,519	7/1/13 to 6/30/14			11,267	(12,519)	(1,252)		(1,252) *	12,519
School Choice Aid	13-495-034-5120-068	903,300	7/1/12 to 6/30/13	(90,330)		90,330					
School Choice Aid	14-495-034-5120-068	1,171,078	7/1/13 to 6/30/14			1,053,970	(1,171,078)	(117,108)		(117,108) *	1,171,078
Extraordinary Aid	13-100-034-5120-473	29,431	7/1/12 to 6/30/13	(29,431)		29,431					
Extraordinary Aid	14-100-034-5120-473	15,514	7/1/13 to 6/30/14				(15,514)	(15,514)		*	15,514
Non-Public Transportation Aid	13-495-034-5120-014	10,962	7/1/12 to 6/30/13	(10,962)		10,962					
Non-Public Transportation Aid	14-495-034-5120-014	11,170	7/1/13 to 6/30/14				(11,170)	(11,170)		*	11,170
On Behalf TPAF Pension Contribution	14-495-034-5095-007	468,914	7/1/13 to 6/30/14			468,914	(468,914)			*	468,914
On Behalf TPAF Post Retirement Post Med Contr	14-495-034-5095-001	768,843	7/1/13 to 6/30/14			768,843	(768,843)			*	768,843
Reimbursement TPAF Social Security Contr	13-495-034-5095-002	828,832	7/1/12 to 6/30/13	(40,435)		40,435					
Reimbursement TPAF Social Security Contr	14-495-034-5095-002	837,615	7/1/13 to 6/30/14			837,615	(837,615)			*	837,615
				(1,346,494)		15,571,110	(15,511,111)	(1,286,495)		(1,259,811)	15,511,111
Special Revenue Fund:											
Preschool Education Aid	14-495-034-5120-086	69,300	7/1/13 to 6/30/14			62,370	(69,300)	(6,930)		(6,930) *	69,300
Preschool Education Aid	13-495-034-5120-086	69,300	7/1/12 to 6/30/13	(6,930)		6,930					
Teacher Quality Mentoring	08-495-034-5120-052	3,033	7/1/07 to 6/30/08		902				902		
				(6,930)	902	69,300	(69,300)	(6,930)	902	(6,930)	69,300
Debt Service Fund:											
Debt Service Aid Type II	14-495-034-5120-016	316,248	7/1/13 to 6/30/14			316,248	(316,248)			*	316,248
Capital Projects Fund:											
N J EDA Grant - High School	05-592-003-0020-824	2,104,657	7/1/04 to Closing	(96,148)		96,148					
NJSDA Grant - Olivet	4150-060-09-1001-GO2 PEC	2,013,670	7/1/09 to Closing	(520,621)				(520,621)		*	1,593,129
NJSDA Grant - Middle School	4150-060-09-1002-GO2 PEC	125,983	7/1/09 to Closing	(48,659)				(48,659)		*	156,063
				(665,428)		96,148		(569,280)			1,749,192
State Department of Agriculture:											
Enterprise Fund											
National School Lunch Program (State Share)	14-100-010-3350-023	7,623	7/1/13 to 6/30/14			5,732	(7,623)	(1,891)		*	7,623
National School Lunch Program (State Share)	13-100-010-3350-024	7,484	7/1/12 to 6/30/13	(1,820)		1,820					
				(1,820)		7,552	(7,623)	(1,891)			7,623
Total State Financial Assistance				\$ (2,020,672)	\$ 902	\$ 16,060,358	\$ (15,904,282)	\$ (1,864,596)	\$ 902	\$ (1,266,741)	\$ 17,653,474

See accompanying notes to schedules of financial assistance

TOWNSHIP OF PITTSBGROVE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2014

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education of the Township of Pittsgrove School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits for States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.*, 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.*, 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$5,855 for the general fund and \$10,273 for the special revenue fund. See Note A (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

TOWNSHIP OF PITTSBGROVE SCHOOL DISTRICT.
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2014

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 14,214	\$ 15,516,966	\$ 15,531,180
Special Revenue Fund	839,966	69,300	909,266
Debt Service		316,248	316,248
Food Service Fund	<u>357,051</u>	<u>7,623</u>	<u>364,674</u>
Total Awards & Financial Assistance	\$ <u>1,211,231</u>	\$ <u>15,910,137</u>	\$ <u>17,121,368</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

Township of Pittsgrove School District had no outstanding loans at June 30, 2014.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2014. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results Section of the Schedule of Findings and Questioned Cost.

NOTE 9: ADJUSTMENTS

There was one immaterial adjustment of \$313, reflected on Schedule A of Federal Awards, representing a reduction in NJEDA grants.

**PITTSBGROVE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- 1) Material weakness (es) identified? _____ yes _____ X no
- 2) Significant deficiencies identified? _____ yes _____ X none reported

Noncompliance material to basic
financial statements noted?

_____ yes _____ X no

Federal Awards

Auditee qualified as low-risk auditee?

_____ X yes _____ no

Internal control over major programs:

- 1) Material weakness (es) identified? _____ yes _____ X no
- 2) Significant deficiencies identified? _____ yes _____ X none reported

Type of auditor's report issued on compliance for
major programs:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with section .510(a) of
Circular A-133?

_____ yes _____ X no

CFDA Number(s)

10.553

Name of Federal Program or Cluster

National School Breakfast Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee?

_____ X yes _____ no

Section I - Summary of Auditor's Results (continued)

GMIS Number(s)	Name of State Program
14-495-034-5120-078	Equalization Aid
14-495-034-5120-089	Special Education Categorical Aid
14-495-034-5120-084	Security Aid
14-495-034-5120-085	Adjustment Aid
14-495-034-5120-068	School Choice Aid

**PITTSBGROVE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

Section II - Financial Statement Findings

NONE

**PITTSBGROVE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs**

FEDERAL AWARDS

Finding: NONE

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

STATE AWARDS

Finding: NONE

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**PITTSBGROVE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014**

This section identifies the status of prior - year findings related to the general - purpose financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 Government Auditing Standards, U.S. OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR - YEAR FINDINGS

Finding: 2013-2

Condition: The County Summary provided online by the Department of Education, did not agree with the District DRTRS Summary Report. The County Summary reflected two (2) less Reg. Special Education Students and two (2) more Special Education Special Needs than the District included on their Report.

Current Status: Corrective action has been taken.